

TEXAS TECH UNIVERSITY SYSTEM

BOARD OF REGENTS

AGENDA BOOK

December 11-12, 2014

BOARD OF REGENTS

TEXAS TECH UNIVERSITY SYSTEM

AGENDA

December 11-12, 2014

BOARD OF REGENTS

Mr. Mickey L. Long, Chair Mr. Larry K. Anders, Vice Chair Mr. John D. Esparza Mr. L. Frederick "Rick" Francis Mr. Tim Lancaster Mrs. Debbie Montford Mrs. Nancy Neal Mr. Coby Ray, Student-Regent Mr. John D. Steinmetz

Mr. John B. Walker

Standing Committees: Academic, Clinical and Student Affairs: Nancy Neal (Chair), Tim Lancaster, Debbie Montford, Coby Ray

> Audit: Rick Francis (Chair), Nancy Neal, John Steinmetz

Facilities: Debbie Montford (Chair), John Esparza, John Walker

Finance and Administration: John Steinmetz (Chair), Rick Francis, John Walker

AGENDA

December 11-12, 2014

Abbreviated Agenda with Approximate Times*

Thursday, December 11, 2014

<u>Joint Meeting of the TTUS Board of Regents,</u> <u>the Executive Committee of the Texas Tech Foundation Board,</u> <u>the Investment Advisory Committee,</u> <u>and the ASU Foundation Board</u>

9:00 am Call to Order; convene Meeting of the Board Meeting of the Committee of the Whole and the Board for joint meeting with the Executive Committee of the Texas Tech Foundation Board, and the Investment Advisory Committee Location: Red Raider Lounge (Room 119), First Floor, Student Union Building, 15th Street and Akron Avenue

10:30 am

Recess

*For general information. The times listed are estimates, with periodic recesses. The "joint meeting" of the TTUS Board of Regents, the Executive Committee of the Texas Tech Foundation Board, the Investment Advisory Committee, and the ASU Foundation Board will begin no earlier than 9:00 am on Thursday, December 11, in the Red Raider Lounge, Room 119, First Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas. [NOTE: All open session meetings that will take place after the adjournment of the joint meeting on Thursday, December 11 and all meetings held on Friday, December 12, will be held in the Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas. Any executive session meetings that should occur throughout the day will take place in the Masked Rider Room (Room 220), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas.] Committee meetings will begin upon recess of the joint meeting at approximately 10:45 am on Thursday, December 11. The Board has the option to reconvene as a Meeting of the Board after committee meetings have taken place or whenever deemed necessary. The committee meetings and Meeting of the Board are expected to adjourn at approximately 2:10 pm; however, if needed, the meetings may continue beyond 2:10 pm until completed. Any committee meetings that are not completed on Thursday, December 11 will reconvene on Friday, December 12 to complete its business. The Meeting of the Board will reconvene on Friday, December 12 at 8:30 am. The meeting is expected to adjourn at approximately 11:00 am; however, if needed, the meeting may continue beyond 11:00 am. The full board agenda is detailed on pages vi through xiii. The agenda for each session of the board meeting or a meeting of a committee of the board is detailed behind the appropriate divider tab.

December 11-12, 2014

Abbreviated Agenda with Approximate Times*

Thursday, December 11, 2014

<u>Meeting of Standing Committees</u> (Conducted sequentially)

10:45 am (or upon adjournment of the joint meeting/recess of Mtg. of the Brd.)	Facilities Committee Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue
11:55 am (or upon adjournment of the Facilities Cmte. meeting)	Finance and Administration Committee Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue
1:00 pm (after a lunch break or upon adjournment of the Finance & Administration Cmte. meeting)	Academic, Clinical and Student Affairs Committee Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue
1:45 pm (or upon adjournment of the ACS Cmte. meeting)	Audit Committee Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue

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December 11-12, 2014

Abbreviated Agenda with Approximate Times*

Thursday, December 11, 2014

Meeting of the Board

2:20 pm (or upon adjournment of the Audit Cmte. meeting or whenever deemed necessary)	Call to Order; Convene Meeting of the Board (OPTIONAL—Only if determined necessary) Meeting of the Committee of the Whole and the Board Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue
2:20 pm	Executive Session Location: Masked Rider Room (Room 220) Second Floor, Student Union Building, 15th and Akron Avenues
4:00 pm	Following Executive Session, convene into Open Session, and Meeting of the Committee of the Whole and the Board Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue
4:05 pm	Recess

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December 11-12, 2014

Abbreviated Agenda with Approximate Times*

Friday, December 12, 2014

Meeting of the Board

8:30 am	Call to Order; reconvene Meeting of the Board Introductions and Recognitions Meeting of the Committee of the Whole and the Board, or continuation of meetings of the Standing Committees of the Board, if necessary Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue
10:15 am	Executive Session Location: Masked Rider Room (Room 220) Second Floor, Student Union Building, 15th and Akron Avenues
	Following Executive Session, convene into Open Session, and Meeting of the Committee of the Whole and the Board Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue

11:00 am Adjournment

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Board of Regents Meeting

December 11-12, 2014

Agenda

Thursday, December 11, 2014 Red Raider Lounge (Room 119), First Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

I.	of the Com	Joint Meeting of the TTUS Board of Regents, the Executive Committee of the Texas Tech Foundation Board, the Investment Advisory Committee, and the ASU Foundation Board—Refer to agenda provided by Office of Investments/Office of the Chief Financial Officer.	
	A.	Introductions	Chairman Long

- B. 2014 Economy/Market Review.....Tim Bruce (NEPC)
- C. Investment Performance ReviewTim Barrett
- D. Questions/Answers
- II. Recess Meeting of the Board/Adjournment of Joint Meeting.....Chairman Long

Thursday, December 11, 2014 Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

III. Meeting of Standing Committees

A. Facilities Committee

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1.	ASU: Approve renaming of the Management,
	Instruction and Research (MIR) Center
	Arena/Pavilion

2. TTU: Approve conferral of honorific naming4

3.	TTU: Approve a project to finish-out the Jones AT&T Stadium East Building – Southeast First Floor	7
4.	TTU: Approve a project to renovate the Jones AT&T Stadium North End Zone Building	8
5.	TTU: Approve budget increase to the United Supermarkets Arena renovations project	.10
6.	TTU: Approve budget increase to the Bayer Plant Science Building project	.12
7.	TTU: Approve a project to construct CHACP1 Utility Infrastructure Upgrades – Phase II	. 14
8.	TTUS: Approve final draft of TTU / TTUHSC Campus Master Plan Update	.16
9.	TTUS: Approve amendments to Chapter 08, <i>Regents' Rules</i> , regarding alcohol policy	. 17
10.	TTUS: Approve amendments to Chapters 08 and 12, <i>Regents' Rules</i> , regarding honorary statues	.19
11.	TTUS: Report on Facilities Planning and Construction projects	. 20
12.	Adjournment	
Finan	ce and Administration Committee	<u>Page</u> FA
1.	TTUS: Authorize issuance of Revenue Financing System Bonds for eligible projects for construction of infrastructure for TTUS, to refinance existing bonds for debt service savings, to refinance certain outstanding commercial paper into long-term fixed financing and to pay costs relating to the issuance of the bonds.	2
2.	TTUS: Approve reallocation of Long Term Investment Funds	3
3.	Adjournment	
Acade	emic, Clinical and Student Affairs Committee	Page

Β.

C.

1.	ASU: Approve a Master of Agriculture degree with a major in Agriculture in the College of Arts and Sciences
1-A.	ASU: Approve revisions to the admissions requirements at Angelo State University
2.	TTU: Approve appointments with tenure4
3.	TTU: Approve online Bachelor of Science degree in Human Sciences in the College of Human Sciences5
4.	TTU: Approve online Bachelor of Applied Arts and Sciences degree in Applied Leadership6
5.	TTU: Approve a Bachelor of Science degree in Bioengineering in the Whitacre College of Engineering
6.	TTU: Approve offering 2+2 programs with Collin College on their academic campuses9
7.	TTUHSC: Approve conferral of emeritus appointment
8.	TTUHSC: Approve revised School of Pharmacy Practice Income Plan Bylaws13
9.	TTUS: Approve amendments to Missions, <i>Regents'</i> <i>Rules</i> , to add a mission statement for TTUHSC EI Paso14
10.	TTUS: Approve amendments to Chapter 10, <i>Regents' Rules</i> , regarding the transfer of the Technology Commercialization and Research functions to Texas Tech University
11.	Adjournment
Audit	Committee
	Page A
1.	TTUS: Report on audits
2.	Executive Session: The Audit Committee will convene into Executive Session in the Masked Rider Room (Room 220), Second Floor, Student Union Building, 15th Street and Akron Avenue, to consider matters permissible under Chapter 551 of the <i>Texas Government Code</i> , including:



D.

- a. Discussion of personnel matters Section 551.074.
- b. Consultation with Attorney Section 551.071.
- Open Session: At the conclusion of Executive Session, the committee will convene into Open Session in the Matador Room, Second Floor, Room 227, Student Union Building, 15th Street and Akron Avenue, to consider appropriate action, if any, on items discussed in Executive Session.
- 4. Adjournment

IV. Meeting of the Board—Call to Order; reconvene into Open Session of the BoardChairman Long

- - A. Consultation with attorney regarding privileged communications, pending or contemplated litigation and settlement negotiations Section 551.071
 - B. Deliberations regarding real property: The purchase, lease, exchange, or value of real property Section 551.072
 - C. Deliberations regarding prospective gifts Section 551.073
 - D. Personnel matters: Discuss the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of employees Section 551.074
 - E. Deliberations regarding security devices—deployment of security personnel or devices Section 551.076
- VI. **Open Session:** The Board will reconvene in Open Session and meet as a Committee of the Whole and Meeting of the Board to consider and act on:

- A. Consideration of appropriate action, if any, on items discussed in Executive Session...... Vice Chairman Anders

Friday, December 12, 2014 Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

VIII. Meeting of the Board—Call to Order; reconvene into Open Session of the Board

Location: Matador Room (Room 227), Second Floor, Student Union Building, 15th and Akron Avenues

- X. **Open Session:** The Board will continue in Open Session and meet as a Committee of the Whole and Meeting of the Board to consider and act on:
 - A. Approve minutes of board meeting held on October 10, 2014Chairman Long
 - B. Committee of the Whole..... Vice Chairman Anders

<u>Page</u> CW

1. ASU, TTU, TTUHSC, TTUHSC EI Paso, TTUSA and TTUS: Approve Consent Agenda; acknowledge review of Information Agenda......7

Consent Agenda

- a. ASU: Approve faculty development leave of absence (ACS)
- b. TTUHSC: Approve appointment to non-elective position of honor (ACS)

- c. TTU: Approve affirmation of managerial group and exclude members of the Board of Regents from access to classified information (CW)
- d. TTU: Approve naming of graduate student office in the Terry Fuller Petroleum Engineering Research Building (F)

Information Agenda

Information is provided as required by Section 01.02.6.b(2)(c), *Regents' Rules*

- ASU, TTU and TTUHSC: Summary of Revenues and Expenditures by Budget Category, FY 2014, per Section 01.02.8.d(3)(f), *Regents' Rules:* All actual expenditures will be reviewed by the Finance and Administration Committee annually and provided as information.
- (2) TTUHSC and TTUHSC EI Paso: Contract Renewals per Section 07.12.4.b., *Regents' Rules:* <u>"Approval of the President is required for all</u> <u>component institution contract renewals or</u> <u>amendments. A list of those renewal contracts in</u> <u>excess of \$500,000 per annum, including the amount of</u> <u>the contract, will be provided to the board as an</u> <u>information item at the next board meeting."</u>
- (3) ASU: Contracts for the services of a consultant with an initial consideration of \$25,000 or less per Section 07.12.2d(2)(b), *Regents' Rules*: <u>"A report of the contract shall be</u> provided as an information Agenda item at the next board meeting."
- (4) TTU: Report on establishment of new centers and institutes per Section 04.11.2., Regents' Rules: <u>"The establishment or substantive restructuring</u> of a center, institute, or other academic unit or program not addressed in Section 04.11.1 herein shall be approved by the president, with notice provided to the board via an item in the Information Agenda for the next meeting of the board."

XI.		Reports of Standing Committees: Standing Committee reports will be presented sequentially to the Committee of the Whole.		
	Α.	Report of the Facilities CommitteeRegent Montford		
	В.	Report of the Finance and Administration CommitteeRegent Steinmetz		
	C.	Report of the Academic, Clinical and Student Affairs CommitteeRegent Neal		
	D.	Report of the Audit Committee Regent Francis		
XII.		The Board will continue in Open Session as the Committee of the Whole and Meeting of the Board of Regents.		
	A.	Schedule for Board meetings: February 26-27, 2015, San Angelo May 14-15, 2015, Lubbock August 6-7, 2015, Lubbock December 10-11, 2015, Lubbock		
	В.	The Chancellor's ReportChancellor Duncan		
	C.	The President's Report, ASU President May		
	D.	The President's Report, TTU President Nellis		
	E.	The President's Report, TTUHSC President Mitchell		

- F. The President's Report, TTUHSC President Lange
- - A. Consultation with attorney regarding privileged communications, pending or contemplated litigation and settlement negotiations Section 551.071
 - B. Deliberations regarding real property: The purchase, lease, exchange, or value of real property Section 551.072

- C. Deliberations regarding prospective gifts Section 551.073
- D. Personnel matters: Discuss the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of employees – Section 551.074
- E. Deliberations regarding security devices—deployment of security personnel or devices Section 551.076
- **XIV. Open Session:** The Board will convene into Open Session in the Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue and meet as a Committee of the Whole and Meeting of the Board to consider and act on:

XV.	Adj	ournment	Chairman Long
	В.	Chairman's Announcements	Chairman Long
	A.	Consideration of appropriate action, if any, on items discussed in Executive Session Vice Chairman And	

FACILITIES

Facilities Committee

Committee Meeting December 11, 2014

- **Time:** 10:45 am (or upon adjournment of the joint meeting/recess of Meeting of the Board)
- **Place:** Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

Regents: Montford (Chair), Esparza, Walker

<u>Agenda</u>

- Approve minutes of committee meetings held on October 11, 2014
- III.A. Consideration of items to be recommended by the Facilities Committee to the Board of Regents of the Texas Tech University System ("TTUS") for and on behalf of Angelo State University System ("ASU"), TTUS, the TTU System Administration ("TTUSA"), Texas Tech University ("TTU"), Texas Tech University Health Sciences Center ("TTUHSC"), and Texas Tech University Health Sciences Center El Paso ("TTUHSC El Paso")

Page F

 TTU: Approve conferral of honorific naming TTU: Approve a project to finish-out the Jones AT&T 	
3. TTU: Approve a project to finish-out the Jones AT&T	7
Stadium East Building – Southeast First Floor	/
4. TTU: Approve a project to renovate the Jones AT&T Stadium North End Zone Building	8
5. TTU: Approve budget increase to the United Supermarkets Arena renovations project	10
6. TTU: Approve budget increase to the Bayer Plant Science Building project	12
7. TTU: Approve a project to construct CHACP1 Utility Infrastructure Upgrades – Phase II	14
8. TTUS: Approve final draft of TTU / TTUHSC Campus Master Plan Update	16

9.	TTUS: Approve amendments to Chapter 08, <i>Regents' Rules</i> , regarding alcohol policy	17
10.	TTUS: Approve amendments to Chapters 08 and 12, <i>Regents' Rules</i> , regarding honorary statues	19
11.	TTUS: Report on Facilities Planning and Construction projects	20
12.	Adjournment	

NOTE: Following consideration of the above items by the committee, the Committee Chair will present the Committee Report to the full Board of Regents for its consideration on Friday, December 12, 2014.

1. <u>ASU: Approve renaming of the Management, Instruction</u> and Research (MIR) Center Arena/Pavilion.

Presenter: Dr. Brian May Presentation Time: 2 minutes Board approval required by: Section 8.05.3, *Regents' Rules*

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve renaming the Management, Instruction, and Research ("MIR") Center Arena/Pavilion to the G. Leon Holland Arena/Pavilion in honor of Dr. G. Leon Holland, professor emeritus of Agriculture.

BACKGROUND INFORMATION

Dr. G. Leon Holland joined Angelo State University ("ASU") in 1969 and served as head of the Department of Agriculture from 1969 until 1991. He retired in 2000 at which time he was named professor emeritus of Agriculture. During his years at ASU, Dr. Holland was instrumental in the establishment of the MIR Center, a teaching and research facility to complement agricultural education. Today, the department's ability to provide training to students outside the classroom is instrumental in the growth of the agriculture program at Angelo State. Dr. Holland was also instrumental in the development of a four-year program in animal science, the Master of Science in Animal Science and substantial growth of undergraduate and graduate students as well as faculty and staff.

In 1972, Dr. Holland negotiated a 25-year lease with the Corps of Engineers for the 6,000 acres adjacent to O.C. Fisher Reservoir. This facility became the ASU Ranch. Prior to his retirement, the department signed a new lease, without cost, for an additional 25 years. An innovator in wildlife management, he designed an extensive brush control program on the ranch, a novel concept at the time, that is common practice today. He also established the first microcomputer lab on the ASU campus and taught the first courses focused on computer applications related to agriculture.

During his tenure as department head, Dr. Holland also developed collaborative research efforts with the Texas A&M AgriLife Research Center in San Angelo and worked with faculty to develop numerous other collaborative research efforts across the state. Because of this and other initiatives, the faculty in the Department of Agriculture developed a strong program in applied research that continues to benefit its students.

Given the primary use of the MIR Center Arena/Pavilion for student-oriented agriculture activities, renaming the facility to honor Dr. Holland is a fitting tribute to his commitment to the Department of Agriculture and Angelo State University.

2. TTU: Approve conferral of honorific naming.

Presenter: Dr. M. Duane Nellis Presentation Time: 3 minutes Board approval required by: Section 08.05.1, *Regents' Rules*

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve the conferring of an honorific naming of the Texas Tech Athletic Complex to the Edward E Whitacre Jr Athletic Complex (map attached on the following pages).

The site encompasses the following:

- a. A future Indoor Track Facility
- b. A future Indoor Football Practice Facility
- c. The existing Football Training/Operations Building
- d. The current football practice fields

The goal for the master plan was to create an integrated athletic complex housing training and event facilities for football and track.

Advance notice to the Board of this proposed honorific naming was provided as required by Section 08.05.1, *Regents' Rules*.

BACKGROUND INFORMATION

Pursuant to the provisions of Section 08.05.1, Regents' Rules, a recommendation is hereby made for the conferring of an honorific naming of the Athletic Complex to the Edward E Whitacre Jr Athletic Complex. This recommendation comes after consideration of the nominee's exceptional and continued service and generosity to the University.

Mr. Whitacre is former chairman of the board and CEO of General Motors and chairman emeritus of AT&T. A longtime supporter of his alma mater, Whitacre and his wife, Linda, have established and contributed to several endowed scholarships and professorships in the Whitacre College of Engineering and other colleges across the university. Mr. Whitacre was instrumental in obtaining AT&T's naming of the Jones AT&T Stadium. He also was instrumental in securing numerous significant gifts supporting undergraduate scholarships, graduate fellowships and faculty positions at Texas Tech University. One of the university's most distinguished alumni, Whitacre was appointed to the Texas Tech University System Board of Regents in 1993 and served as chairman from 1995-1998. He was named a Distinguished Engineer by the Whitacre College of Engineering in 1985 and received the Outstanding Executive award from the Rawls College of Business in 1996.

Whitacre served as national campaign chairman for the Texas Tech University System's first capital campaign, the Horizon Campaign, as well as national chairman of the system's most recent fundraising effort, Vision & Tradition: The Campaign for Texas Tech, which raised more than \$1 billion for the universities of the Texas Tech University System.

This honorific naming will not preclude naming any of the current and/or future facilities that will be located within the complex.

Section 08.05.1, Regents' Rules, states that the Board of Regents must approve the conferral of an honorific naming.

12/11-12/2014

Texas Tech Athletic Complex



3. <u>TTU: Approve a project to finish-out the Jones AT&T</u> <u>Stadium East Building – Southeast First Floor.</u>

Presenter: Mr. Michael Molina Presentation Time: 2 minutes Board approval required by: Section 08.01.3, *Regents' Rules*

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents authorize the Office of Facilities Planning and Construction to (i) proceed with a project to finish-out the Jones AT&T Stadium – Southeast First Floor with a budget of \$1,650,000; (ii) waive the board directed fees for landscape enhancements and public art; (iii) report project to the Texas Higher Education Coordinating Board; (iv) complete the contract documents; and (v) award a construction contract. The project will be funded through the Revenue Finance System ("RFS") repaid with a gift (\$1,200,000) and athletic revenues (\$450,000).

It is further recommended that the board acknowledge that it expects to pay expenditures in connection with the construction of the project prior to the issuance of obligations to finance the project and, in that respect, the board finds that the reimbursement for the payments of such expenditures will be appropriate and consistent with the lawful objectives of the Texas Tech University System, and, as such, declare its intention, in accordance with the provisions of *Treasury Regulations*, Section 1.150-2, to reimburse itself for original expenditures, advanced in connection with the design, planning and construction of the Texas Tech University System office an aggregate maximum principal amount expected to be \$1,650,000.

The chancellor further recommends that the president be authorized to negotiate and execute any and all agreements with city, state, and county agencies, utility companies and other entities required to successfully complete the project.

BACKGROUND INFORMATION

The project will finish-out the Jones AT&T Stadium East building – Southeast First Floor. The 7,035 square feet of shelled space will house the athletic ticket office and fan engagement center which includes ticket lobby, ticket sales transaction counters, the ticket operations suite will include staff offices, meeting rooms, copy/workroom, restrooms and support spaces.

The vice president for administration and finance and chief financial officer has verified the source of funds.

4. <u>TTU: Approve a project to renovate the Jones AT&T</u> <u>Stadium North End Zone Building.</u>

Presenter: Mr. Michael Molina Presentation Time: 2 minutes Board approval required by: Section 08.01.3, *Regents' Rules*

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents authorize the Office of Facilities Planning and Construction to (i) proceed with a project to renovate the Jones AT&T Stadium North End Zone building with a budget of \$3,750,000; (ii) report project to the Texas Higher Education Coordinating Board; (iii) complete the contract documents; and (iv) award a construction contract. The project will be funded through the Revenue Finance System ("RFS") repaid with a donation (\$2,500,000) and Athletic Seat License Revenue (\$1,250,000). (Note: The naming of this facility is reserved to a confidential donor at this time.)

It is further recommended that the board acknowledge that it expects to pay expenditures in connection with the construction of the project prior to the issuance of obligations to finance the project and, in that respect, the board finds that the reimbursement for the payments of such expenditures will be appropriate and consistent with the lawful objectives of the Texas Tech University System, and, as such, declare its intention, in accordance with the provisions of *Treasury Regulations*, Section 1.150-2, to reimburse itself for original expenditures, advanced in connection with the design, planning and construction of the Texas Tech University System office an aggregate maximum principal amount expected to be \$3,750,000.

The chancellor further recommends that the president be authorized to negotiate and execute any and all agreements with city, state, and county agencies, utility companies and other entities required to successfully complete the project.

BACKGROUND INFORMATION

The project will renovate the existing 9,500 gross square feet ("GSF") Jones AT&T Stadium North End Zone building and add approximately 1,005 GSF to create the new game day club space; food and beverage to be managed by an outside service group under the direction of the athletic department. The club will utilize the existing 364 premium seats in Section 112, A and B, as well as, approximately 200 new premium seats being constructed. The facility will include food/beverage service areas, catering kitchen with food service line, support spaces, restrooms, and housekeeping space. The renovated facility will provide a new game day experience for the Red Raider fans and also serve the community as a special event venue option.

The vice president for administration and finance and chief financial officer has verified the source of funds.

5. <u>TTU: Approve budget increase to the United Supermarkets</u> <u>Arena renovations project.</u>

Presenters: Mr. Michael Molina and Mr. Kirby Hocutt Presentation Time: 5 minutes Board approval required by: Section 08.01.3, *Regents' Rules*

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents authorize the Office of Facilities Planning and Construction to (i) increase the project budget for the United Supermarkets Arena Renovations by \$750,000 for a total project budget of \$5,050,000; (ii) waive the board directed fees for landscape enhancements and public art associated with this additional scope of work; (iii) complete the contract documents; and (iv) amend the design-build contract. The budget increase will be funded with taxable debt through the Revenue Finance System ("RFS") to be repaid with funds from the naming agreement. The original project was funded with taxable debt through the RFS repaid with funds from the naming agreement. The previously approved budget of \$4,300,000 included \$325,000 (cash).

It is further recommended that the board acknowledge that it expects to pay expenditures in connection with the construction of the project prior to the issuance of obligations to finance the project and, in that respect, the board finds that the reimbursement for the payments of such expenditures will be appropriate and consistent with the lawful objectives of the Texas Tech University System, and, as such, declare its intention, in accordance with the provisions of *Treasury Regulations*, Section 1.150-2, to reimburse itself for original expenditures, advanced in connection with the design, planning and construction of the Texas Tech University System office an aggregate maximum principal amount expected to be \$5,050,000.

The chancellor further recommends that the president be authorized to negotiate and execute any and all agreements with city, state, and county agencies, utility companies and other entities required to successfully complete the project.

BACKGROUND INFORMATION

In May 2014, the board approved the original project to renovate the United Spirit Arena with a project budget of \$4,300,000; waive the board directed fees for landscape enhancements and public art; report the project to the Texas Higher Education Coordinating Board; and award a design-build contract. The original renovation scope was to renovate both the men's and women's basketball locker rooms and team area; update the women's volleyball locker room and team area; update the west entry lobby and practice gym with the introduction of enhanced graphics; and all team training and sports nutrition areas. This additional scope request includes renovation of the Men, Women, and Volleyball coaches' offices and suites and full redesign and renovation of the main west front entry lobby, gathering space, and former retail space.

The vice president for administration and finance and chief financial officer has verified the source of funds.

6. <u>TTU: Approve budget increase to the Bayer Plant Science</u> <u>Building project.</u>

Presenter: Mr. Michael Molina Presentation Time: 5 minutes Board approval required by: Section 08.01.3, *Regents' Rules*

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents authorize the Office of Facilities Planning and Construction to (i) increase the project budget for the Plant and Soil Science building by \$740,000, for a total project budget of \$14,340,000; (ii) waive the board directed fees for landscape enhancements and public art associated with this scope of work; (iii) report the project to the Texas Higher Education Coordinating Board; (iv) complete the contract documents; and (iv) amend the Construction Manager at Risk contract. The budget increase will be funded through the Revenue Finance System ("RFS") to be repaid with interest earnings.

The original project was funded with a gift (\$9,004,100), matching Texas Research Incentive Program ("TRIP") funds (\$3,201,500), Interest Income (\$400,000), and Higher Education Assistance Funds ("HEAF") (\$1,000,000). The balance not-in-hand (\$815,000) was to be funded through the RFS to be repaid with outstanding gifts and donations, and TRIP. That project budget included the previously approved budget of \$490,000 (cash).

It is further recommended that the board acknowledge that it expects to pay expenditures in connection with the construction of the project prior to the issuance of obligations to finance the project and, in that respect, the board finds that the reimbursement for the payments of such expenditures will be appropriate and consistent with the lawful objectives of the Texas Tech University System, and, as such, declare its intention, in accordance with the provisions of *Treasury Regulations*, Section 1.150-2, to reimburse itself for original expenditures, advanced in connection with the design, planning and construction of the Texas Tech University System office an aggregate maximum principal amount expected to be \$14,340,000.

The chancellor further recommends that the president be authorized to negotiate and execute any and all agreements with city, state, and county agencies, utility companies and other entities required to successfully complete the project.

BACKGROUND INFORMATION

In December 2013, the board approved the original project to construct a new Plant and Soil Science building with a project budget of \$13,600,000. The original scope was to construct a new 20,490 GSF building along with 2,930 SF of renovation and exterior upgrades to the existing Plant Science building. The new construction would include open labs with the required support and graduate

student spaces, as well as, equipment, one instructional lab and a departmental office suite. The courtyard formed by the addition would be a multi-function area that would serve as an outdoor instructional space for the Department of Plan & Soil Science programs. The renovation would create the physical connection to the new building along with new faculty, staff and grad student offices. The project also included infrastructure upgrades, landscape enhancements and public art.

In February 2014, the board approved naming the new facility and renaming the adjacent and connected existing Agricultural Plant Sciences Building in the Department of Plant and Soil Science the "Bayer Plant Science Building".

The proposed project budget increase will allow the west and north colonnade walkways to be re-instated within the construction contract. These components were previously value engineered out in order to stay within the \$13.6 million budget. Several factors have contributed to the overall increase of the construction project budget, such as, (1) delay in the construction start date due to the timing receipt of the gift funds; (2) change of the general contractor; (3) processing of the new Construction Manager at Risk contract; (4) construction cost escalation due to the 5 month delay associated with the change in general contractor; and (5) the overall drawn out project schedule of 3 years from inception (June 2011) to today.

The vice president for administration and finance and chief financial officer has verified the source of funds.

7. <u>TTU: Approve a project to construct CHACP1 Utility</u> <u>Infrastructure Upgrades – Phase II.</u>

Presenter: Mr. Michael Molina and Mr. Sean Childers Presentation Time: 5 minutes Board approval required by: Section 08.01.3, *Regents' Rules*

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents authorize the Operations Division, Department of Engineering Services to (i) proceed with a project to construct CHACP1 Utility Infrastructure Upgrades – Phase II with a budget of \$6,750,000; (ii) waive the board directed fees for landscape enhancements and public art; (iii) authorize the Facilities Planning and Construction office to report the project to the Texas Higher Education Coordinating Board; (iv) complete the contract documents; and (v) award a construction contract. The project will be funded through the Revenue Finance System ("RFS") repaid with utility revenue.

It is further recommended that the board acknowledge that it expects to pay expenditures in connection with the construction of the project prior to the issuance of obligations to finance the project and, in that respect, the board finds that the reimbursement for the payments of such expenditures will be appropriate and consistent with the lawful objectives of the Texas Tech University System, and, as such, declare its intention, in accordance with the provisions of *Treasury Regulations*, Section 1.150-2, to reimburse itself for original expenditures, advanced in connection with the design, planning and construction of the Texas Tech University System office an aggregate maximum principal amount expected to be \$6,750,000.

The chancellor further recommends that the president be authorized to negotiate and execute any and all agreements with city, state, and county agencies, utility companies and other entities required to successfully complete the project.

BACKGROUND INFORMATION

The project will provide utility infrastructure upgrades to the Central Heating and Cooling Plant No. 1 ("CHACP1"). In order to support continued use of existing facilities as well as new construction planned for Texas Tech University, infrastructure repairs and upgrades are required throughout the campus. These upgrades will allow the university to provide state-of-the-art instructional programs, improve the integrity of the campus services and provide a consistent standard of utility services to the occupants and users of the campus facilities.

The Phase II project will replace the steam driven #3 chiller with a 6500 HP Electric unit at CHACP1. The #3 chiller is a 1974 - 6500 ton - steam driven R22 chiller. This upgrade will remove the last ozone depleting refrigerant (R22 is no longer in production) chiller within the campus inventory, replace our least

efficient chiller, lower life cycle costs, and improve efficiency with a new unit. Due to the nature of this project, the institution request that the board directed fees for landscape enhancements and public art are waived. The project is scheduled to be complete December 2017.

The vice president for administration and finance and chief financial officer has verified the source of funds.

8. <u>TTUS: Approve final draft of TTU / TTUHSC Campus</u> <u>Master Plan Update.</u>

Presenter: Mr. Michael Molina Requested by: Board of Regents Presentation Time: 5 minutes

RECOMMENDATION

The chancellor in concurrence with the Texas Tech University president and the Texas Tech University Health Sciences Center president recommend to the Board of Regents that (i) the Board approve the final draft of the TTU / TTUHSC Lubbock Campus Master Plan Update; and (ii) authorize the Office of Facilities Planning and Construction to finalize the document for printing.

BACKGROUND INFORMATION

Texas Tech established the TTU/TTUHSC Master Planning Committee with a core group from each institution's administration, major departments, student government, as well as civic, community, and business leaders. Support staff and three outside design firms provided general information, scenarios, and industry criteria throughout each step of the planning process. The initial kickoff meeting was on October 15, 2012 with numerous planning and visioning sessions to follow.

The planning sessions were held to review and evaluate past decisions along with the proposed new opportunities. Intense discussions helped build consensus as to the confirmation of past planning initiatives and framework for implementing new opportunities. Community input was evaluated as to the direction and partnerships required along the campus edges.

Meetings with the Presidents, Chancellor, and Board of Regents provided leadership and assurance that the plan had the full support required for implementation.

This campus master plan update provides a flexible framework for the future development of the campus to support the vision and mission of each institution. This framework will guide the physical organization of the TTU and TTUHSC Lubbock campuses.

Emerging out of this collaborative process is a document that sets forth a conceptual framework for the future of the Lubbock campus built around agreed-upon planning principles.

Texas Tech University and Texas Tech University Health Sciences Center are committed to a comprehensive and continuous land use planning process that results in a flexible framework to guide future development of the Lubbock campus to support the vision and mission of each institution.

9. <u>TTUS: Approve amendments to Chapter 08, Regents'</u> <u>Rules, regarding alcohol policy.</u>

Presenter: Mr. John Huffaker Presentation Time: 5 minutes Board approval required by: Sec. 01.08, *Regents' Rules*

RECOMMENDATION

The Regents Rules Review Committee (Rules Committee) recommends that the Facilities Committee consider amendments to Chapter 08 ("Facilities") that would establish a system-wide policy on the sale or service of alcoholic beverages at any facility owned, used or occupied by a TTU System institution.

Currently, there is not a broad or general policy regarding the sale or service of alcoholic beverages that applies uniformly to all entities within the TTU System. It is proposed that a system-wide policy be added to the *Regents' Rules* that would:

- require Board approval for the sale of alcoholic beverages by a third-party vendor at or in conjunction with an intercollegiate athletic event at an institutional facility;
- (2) require the approval of the President, with prior notice to the Chancellor and the Board, for other sales of alcoholic beverages pursuant to an ongoing licensing contract;
- (3) require, at a minimum, approval at the departmental level for single-occasion complimentary service or cash-bar sales of alcoholic beverages; and
- (4) require Board-approved institutional operating policies that govern the sale or complimentary service of alcoholic beverages in any facility owned, used or occupied by the institution, with each institution able to impose more specific or more restrictive requirements than the minimum standards required by the *Regents' Rules*.

A summary of as well as the proposed changes to Chapter 08 are provided as an attachment to the Agenda Book.

BACKGROUND INFORMATION

Board chair Mickey Long re-established the Rules Committee on March 1, 2013 and appointed the following members to that advisory committee: Larry Anders (chair); Rick Francis; Nancy Neal, and John Walker.

The Rules Committee is charged with considering and, when appropriate, submitting to the appropriate Board committee proposed amendments to the *Regents' Rules* of the Texas Tech University System. Any amendment to the

Regents' Rules or a Board Policy Statement must be approved by the full Board in accordance with Section 01.08, *Regents' Rules*.

10. <u>TTUS: Approve amendments to Chapters 08 and 12,</u> <u>Regents' Rules, regarding honorary statues.</u>

Presenter: Mr. Ben Lock Presentation Time: 5 minutes Board approval required by: Sec. 01.08, *Regents' Rules*

RECOMMENDATION

The Regents Rules Review Committee ("Rules Committee") recommends that the Facilities Committee consider amendments to Chapter 08 ("Facilities") and Chapter 12 ("Honorifics and Seals") that would require Board approval for the acquisition of a statue, sculpture or other artistic representation that honors a specific person, group or entity.

Currently, the Board must approve most designations that bestow an honor upon a person, group, corporation or other business entity, including: all <u>honorary</u> <u>namings</u> (for the naming of facilities, gift-relating namings, naming of academic units or programs such as colleges, schools and departments, and any other honorific naming); honorary <u>plaques</u> for former chancellors and presidents; <u>honorary titles</u> (such a emeritus appointments); and <u>honorary degrees</u>.

The proposed amendments to Chapters 08 and 12 would require such honorary statues, sculptures and other artistic representations to undergo the current review and recommendation process utilized by the University Public Art Committee, but with the final decision being made by the Board.

A summary of as well as the proposed changes to Chapters 12 and 08 are provided as an attachment to the Agenda Book.

BACKGROUND INFORMATION

Board chair Mickey Long re-established the Rules Committee on March 1, 2013 and appointed the following members to that advisory committee: Larry Anders (chair); Rick Francis; Nancy Neal, and John Walker.

The Rules Committee is charged with considering and, when appropriate, submitting to the appropriate Board committee proposed amendments to the *Regents' Rules* of the Texas Tech University System. Any amendment to the *Regents' Rules* or a Board Policy Statement must be approved by the full Board in accordance with Section 01.08, *Regents' Rules*.

11. <u>TTUS: Report on Facilities Planning and Construction</u> projects.

Presenter: Mr. Michael Molina Presentation Time: 5 minutes Report requested by: Board of Regents

Mr. Michael Molina, Vice Chancellor for Facilities Planning and Construction, TTUS, will present a report on Facilities Planning and Construction managed projects.
FINANCE AND ADMINISTRATION

Finance and Administration Committee

Committee Meeting December 11, 2014

- **Time:** 11:55 am (or upon adjournment of the Facilities Committee meeting)
- **Place:** Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

Regents: Steinmetz (Chair), Francis, Walker

<u>Agenda</u>

- Approve minutes of committee meetings held on October 10, 2014
- III.B. Consideration of items to be recommended by the Finance and Administration Committee to the Board of Regents of the Texas Tech University System ("TTUS") for and on behalf of Angelo State University System ("ASU"), TTUS, the TTU System Administration ("TTUSA"), Texas Tech University ("TTU"), Texas Tech University Health Sciences Center ("TTUHSC"), and Texas Tech University Health Sciences Center El Paso ("TTUHSC El Paso")

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1.	TTUS: Authorize issuance of Revenue Financing System Bonds for eligible projects for construction of infrastructure for TTUS, to refinance existing bonds for debt service savings, to refinance certain outstanding commercial paper into long-term fixed financing and to pay costs relating to the issuance of the bonds
2.	TTUS: Approve reallocation of Long Term Investment Funds

- 3. Adjournment
- NOTE: Following consideration of the above items by the committee, the Committee Chair will present the Committee Report to the full Board of Regents for its consideration on Friday, December 12, 2014.

1. <u>TTUS: Authorize issuance of Revenue Financing System</u> <u>Bonds for eligible projects for construction of</u> <u>infrastructure for TTUS, to refinance existing bonds for</u> <u>debt service savings, to refinance certain outstanding</u> <u>commercial paper into long-term fixed financing and to pay</u> <u>costs relating to the issuance of the bonds.</u>

Presenter: Mr. Jim Brunjes Presentation Time: 15 minutes Board approval required by: Section 07.05.1, *Regents' Rules*,

RECOMMENDATION

The chancellor recommends that the Board of Regents authorize the issuance of Revenue Financing System ("RFS") Bonds, scheduled for issuance in February 2015. A resolution authorizing sale and delivery of the Bonds is attached for approval by the Board of Regents.

In summary, the Board of Regents is being asked to approve the attached resolution authorizing the sale and delivery of "Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Sixteenth Series (2015A)" in one or more series, tax-exempt or taxable, in the maximum aggregate amount of \$400,000,000", and resolving other matters incident and related thereto.

As noted in the resolution, a *Pricing Committee* is being authorized, appointed, and designated to act on behalf of the Board in the selling and delivering of the Bonds in one or more series. The "*Pricing Committee*" shall mean the Chancellor, the Chief Financial Officer, and the Members of the Finance and Administration Committee of the Board of Regents.

BACKGROUND INFORMATION

The Board of Regents is being asked to approve Supplemental Resolutions 16 to the Revenue Financing System Master Resolution adopted October 21, 1993. The most recent prior action by the Board of Regents was to approve Supplemental Resolutions 14 and 15 on December 16, 2011.

2. <u>TTUS: Approve reallocation of Long Term Investment</u> <u>Funds.</u>

Presenter: Mr. Jim Brunjes Presentation Time: 5 minutes Board approval required by: Investment Policy Statement, Long Term Investment Fund Section 4

RECOMMENDATION

The two changes in the reallocation of Long Term Investment Funds ("LTIF") have been approved administratively by the appropriate Presidents and the chancellor and they are recommended for approval by the Texas Tech University System Board of Regents.

The first reallocation is to transfer \$12 million from the SITIF (cash fund) to the Long Term Investment Fund. This represents the Bayer Crop Science Gift to the College of Agricultural Sciences and Natural Resources ("CASNR"). Strategic uses for this gift are being determined by joint meetings between Bayer Crop Science and CASNR developing a strategic use for the funds to be known as Project Revolution. The Project Revolution Steering Committee met and agreed that \$12 million be transferred to the LTIF. These funds will invested will earn spendable funds that can be used to meet present needs of CASNR. These funds would be committed for at least 2 years and then a decreasing amount thereafter. They are aware that a 1-year notice is required for any withdrawal of needed funds from the LTIF, and also that funds in the LTIF are subject to market risk, with the possibility that funds may lose value upon redemption.

The second reallocation is to rebalance the Medical Malpractice Insurance Reserve between cash ("SITIF") and the LTIF. Because of recent allocations that transferred funds from cash rebate, \$4,000,000 (approved by BOR, August 2014) and increased earnings in the LTIF, the percent of the LTIF in the Medical Malpractice Self-Insurance Fund has increased from 55.5% (FY 2013) to 69.2% (FY 2014 – rebate). Therefore, to balance the allocation at 50% / 50% (SITIF / LTIF), a reallocation of \$8,731,262 is requested from the LTIF to cash (SITIF). This will occur, if approved, as of December 31, 2014. The BOR is requested to also waive the one-year notice requirement for this transaction.

BACKGROUND INFORMATION

In the Board of Regents' Investment Policy Statement, Long Term Investment Fund, Section 4 is as follows:

"Section 4. Investment of Non-Endowment Institutional Funds in the LTIF.

Institutional funds are defined in Section 51.002, *Texas Education Code*, as amended or modified. In this policy statement, long-term

institutional funds are all non-endowment institutional funds approved by the Board, for investment purposes, for inclusion in the LTIF."

ACADEMIC, CLINICAL AND STUDENT AFFAIRS

Academic, Clinical and Student Affairs Committee

Committee Meeting December 11, 2014

- **Time:** 1:00 pm (after a lunch break or upon adjournment of the Finance and Administration Committee meeting)
- **Place:** Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

Regents: Neal (Chair), Lancaster, Montford, Ray

<u>Agenda</u>

- Approve minutes of committee meeting held on October 10, 2014
- **III.C.** Consideration of items to be recommended by the Academic, Clinical and Student Affairs Committee to the Board of Regents of the Texas Tech University System ("TTUS") for and on behalf of Angelo State University System ("ASU"), TTUS, the TTU System Administration ("TTUSA"), Texas Tech University ("TTU"), Texas Tech University Health Sciences Center ("TTUHSC"), and Texas Tech University Health Sciences Center El Paso ("TTUHSC El Paso")

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10.	TTUS: Approve amendments to Chapter 10, <i>Regents'</i> <i>Rules</i> , regarding the transfer of the Technology Commercialization and Research functions to Texas Tech University
11.	Adjournment

NOTE: Following consideration of the above items by the committee, the Committee Chair will present the Committee Report to the full Board of Regents for its consideration on Friday, December 12, 2014.

1. <u>ASU: Approve a Master of Agriculture degree with a major</u> in Agriculture in the College of Arts and Sciences.

Presenter: Dr. Nancy Allen Presentation Time: 2 minutes Board approval required by: 04.09.1, *Regents' Rules*; ASU Operating Policy 04.05; and Chapter 5, subchapter C, THECB Laws and Rules

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve the new degree program request for the Master of Agriculture ("M.Ag.") degree with a major in Agriculture in the Department of Agriculture within the College of Arts and Sciences and authorize submission to the Texas Higher Education Coordinating Board seeking its approval for such a program and to the Southern Association of Colleges and Schools for its review.

Implementation of this new program will be fall 2015.

BACKGROUND INFORMATION

The proposed Master of Agriculture ("MA") with a major in Agriculture is a nonthesis degree designed for individuals intending to pursue a career in industry, business, and government services, or to teach at a community or junior college. The proposed MA in Agriculture provides an alternative for those individuals not interested in pursuing the intensive research-based Master of Science in Animal Science, which is designed predominantly for those individuals interested in pursuing a doctorate.

The proposed degree requires a minimum of 36 semester credit hours, including 27-36 semester credit hours in agriculture department courses with at least 3 hours in each of the following areas: animal science, food science, range and wildlife management, agriculture leadership, and agriculture economics. These degree requirements are designed to provide broad knowledge of the application of scientific principles related to the production, processing, and marketing of agriculture products or services, thereby increasing the career preparedness and marketability of graduates in fields beyond those in animal science. Additionally, the proposed degree incorporates experiential learning through an internship or shadowing environment opportunity. This inclusion provides advanced training focused on developing innovative and technical abilities within the agriculture industry.

The proposed degree has no costs attached.

1-A. <u>ASU: Approve revisions to the admissions requirements at</u> <u>Angelo State University.</u>

Presenter: Dr. Javier Flores Presentation Time: 3 minutes Board approval required by: Section 05.01.2 and 05.02, *Regents' Rules; and ASU OP* 10.01

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve the revisions to the Admissions Requirements at Angelo State University ("ASU"), effective immediately. ASU OP 10.01, Undergraduate Student Admissions with proposed revisions is provided as an attachment to the Agenda Book.

EXECUTIVE SUMMARY

The recommended changes indicate a revision to grant assured admission provision for students who have completed at least six (6) semester credit hours of dual credit through ASU with a 3.0 GPA or higher. SAT or ACT scores will be required from all dual credit students applying for full admission to Angelo State University.

BACKGROUND INFORMATION

Angelo State University is requesting authorization to modify existing admission standards, effective immediately.

Sections 05.01.2 and 05.02, *Regents' Rules*, require Board approval of the university's admissions policies and inclusion in the institution's operating manuals.

2. <u>TTU: Approve appointments with tenure.</u>

Presenter: Dr. Lawrence Schovanec Presentation Time: 3 minutes Board approval required by: Section 04.02, *Regents' Rules;* TTU Operating Policy 32.17

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve the granting of tenure to the following faculty of Texas Tech University contemporaneously with their appointments:

Nikhil Dhurandhar, Ph.D., new professor, and chair, in the Department of Nutritional Sciences, College of Human Sciences. Professor Dhurandhar is currently tenured as professor in the Department of Infections and Obesity at the Pennington Biomedical Research Center at Louisiana State University; and

Ravindra Joshi, Ph.D., new professor in the Department of Electrical and Computer Engineering, Whitacre College of Engineering. Professor Joshi is currently tenured as professor in the Department of Electrical and Computer Engineering at Old Dominion University.

BACKGROUND INFORMATION

The faculty members whose names appear above have been judged by the appropriate committees and administrative personnel as worthy of academic tenure. The procedure established by the Tenure Policy for the awarding of tenure to qualified members of the faculty has been carefully followed.

Approval of these individuals brings the number of full-time tenured faculty at Texas Tech University to 783. There is a total of 1,092 tenured and tenure track faculty. After these appointments, the percentage of tenure track faculty who have been awarded tenure will be 72.3%. The number of no- tenure track faculty is 500.

3. <u>TTU: Approve online Bachelor of Science degree in</u> Human Sciences in the College of Human Sciences.

Presenter: Dr. Lawrence Schovanec Presentation Time: 3 minutes Board approval required by: Section 04.09.1, *Regents' Rules*, TTU Operating Policy 36.04; Chapter 5, Subchapter C, THECB Laws and Rules

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve an online Bachelor of Science ("BS") degree in Human Sciences and authorize submission by the Office of the Provost and the Senior Vice President to the Texas Higher Education Coordinating Board and the Southern Association of Colleges and Schools Commission on Colleges seeking their approval for such a program.

Implementation of this program will require no additional space or facilities. Facilities, services, courses, and instructional staffing are sufficient to enable students' timely progression through and completion of the program.

BACKGROUND INFORMATION

The online BS degree in Human Sciences is an interdisciplinary general studies degree for those who prefer flexibility in their degree plan. In addition to core curriculum and general degree requirements, students complete 54 hours in three interrelated concentration areas (see below) to form a coherent degree program that is not available elsewhere in the university as an organized plan of study. The degree program has been offered on campus and face-to-face since 2010. Enrollment growth has been steady, with 200 students enrolled in spring 2014. Increasingly, students are requesting the degree be available online. Based on the rapid success of the face-to-face version of this program, similar success is expected with the online version. The distance version will assure greater access to place-bound students, working professionals, and active military.

Currently, the three concentration areas within the College of Human Sciences already available online are Human Development and Family Studies; Personal Financial Planning; and Restaurant, Hotel and Institutional Management. These three concentrations can serve as the initial basis for the online BS degree in Human Sciences, or students may also take courses in another area of emphasis selected from multiple programs available in the university. Additional areas of concentration within the College of Human Sciences are under development currently and will become available to BHS students when they are approved for distance delivery.

4. <u>TTU: Approve online Bachelor of Applied Arts and</u> <u>Sciences degree in Applied Leadership.</u>

Presenter: Dr. Lawrence Schovanec Presentation Time: 3 minutes Board approval required by: Section 04.09.1, *Regents' Rules*, TTU Operating Policy 36.04; Chapter 5, Subchapter C, THECB Laws and Rules

RECOMMENDATION

The chancellor concurs with the recommendation of the Texas Tech University president that the Board of Regents approve the request for an online Bachelor of Arts and Sciences ("BAAS") degree in Applied Leadership and authorize submission by the Office of the Provost and the Senior Vice President to the Texas Higher Education Coordinating Board and the Southern Association of Colleges and Schools Commission on Colleges seeking their approval for such a program.

Implementation of this program will require no additional space or facilities. The program is anticipated to add 150 new students in the first two years and 50 students per year thereafter. Only students who have completed an Applied Arts and Sciences ("AAS") associates degree may be admitted into the BAAS degree program at TTU.

BACKGROUND INFORMATION

The online BAAS degree in Applied Leadership is designed for students who have previously earned an AAS degree, who are typically currently employed or have real-world occupational experience, who are seeking advancement in their occupational fields and/or further academic expertise, and whose ties to their places of residence or other life circumstances restrict their attendance in oncampus, face-to-face courses. They may include active-duty military or veterans seeking college credit for courses taken in the military, students interested in multiple fields of study, students who have accumulated a significant number of credit hours, and transfer students wanting credit for workforce or technical courses taken at a community college or technical institution.

The number of students graduating with an AAS degree in Texas has increased 16.42%, with technical certificates 27.8% between 2009 and 2011. In order to advance in their occupations or seek other careers, these students need a pathway to a bachelor's degree that builds on their vocational education and experience. The online BAAS in Applied Leadership will serve this market not currently accessible to Texas Tech University, thus representing an entirely new enrollment population.

In addition to transfer credit for applicable courses completed as part of their AAS degree, and completion of the TTU core curriculum, students in the BAAS will choose two of three concentration areas currently available online at TTU – Agricultural Leadership, Human Resources Development, and Studies in Personal Finance. The BAAS degree is administered through the Division of Undergraduate Education and Student Affairs under the Office of the Provost.

5. <u>TTU: Approve a Bachelor of Science degree in</u> Bioengineering in the Whitacre College of Engineering.

Presenter: Dr. Lawrence Schovanec Presentation Time: 3 minutes Board approval required by: Section 04.09.1, *Regents' Rules*, TTU Operating Policy 36.04 and Chapter 5, Subchapter C, THECB Laws and Rules

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve the new degree program for a Bachelor of Science degree in Bioengineering ("BSB") in the Whitacre College of Engineering and authorize submission by the Office of the Provost and Senior Vice President for Academic Affairs to the Texas Higher Education Coordinating Board seeking its certification of such a program and to the Southern Association of Colleges and Schools for acknowledgement of a new degree program.

No additional faculty members are required to support this program. Due to the interdisciplinary nature of bioengineering, existing faculty in mechanical, chemical, electrical and industrial engineering will provide the expertise necessary to support the courses for the BSB program.

BACKGROUND INFORMATION

As a versatile and newly emerging field, the assessment of opportunities for graduates in the field of bioengineering is a challenging issue. Bioengineering is recognized by the United States Department of Labor as a very quickly growing industry. In 2012, there were a total of 19,400 biomedical engineering jobs in the United States, and from 2012 to 2022, this number is expected to increase by 27%. This growth rate is significantly higher than the growth for other engineering disciplines (9%) and for all occupations (11%). It is expected that 5,200 new jobs will be created from 2012 to 2022 and that 10,100 jobs will become available during this period, due to job creation (5,200) and employees leaving their jobs (4,900). The largest numbers of industry jobs are available in medical equipment and supplies manufacturing, scientific research and development services, pharmaceutical and medicine manufacturing, colleges, universities, and professional schools, and general medical and surgical hospitals. Companies choosing to pursue a biomedical-related project may hire employees with more traditional engineering backgrounds and assume that they will inherit the biomedical skills through job training. For this reason, it is essential for bioengineers to receive a solid foundation in a traditional engineering field (chemical, electrical, mechanical, etc.). Texas Tech's proposed biomedical engineering program provides for separate chemical and electrical/mechanical engineering tracks to address this need.

The goal of the Bachelor of Science in Bioengineering Program is to prepare undergraduates for a career in bioengineering, biomedical engineering, biological, healthcare and other disciplines. The Program Educational Objectives were developed with the Accreditation Board for Engineering and Technology (ABET) definition of Program Educational Objectives and as such, they describe the abilities of the graduate three to five years after graduation. Three to five years after graduation, the graduates of the Bachelor of Science in Bioengineering Program at Texas Tech University are expected to obtain the following accomplishments:

- 1. Apply their technical and practical skills to contribute to the biomedical, medical, biological, health care and other related fields;
- 2. Practice ethically in their chosen field; and
- 3. Employ skills and knowledge gained through continuing education opportunities to advance their chosen field.

Enrollment projections for the new program are given in the table below. These projections assume that 90 percent of the students are full-time students, and the other 10 percent are part-time students.

YEAR	1	2	3	4	5
Headcount	5	15	25	35	50
FTSE	4.75	14.25	23.75	33.25	47.5

Five-Year Costs and Funding Sources: The personnel costs reported in this table are to provide one month of summer salary to the BSBE program coordinator each summer for 5 years. As program coordinator, the faculty member will be responsible for collecting assessment data to prepare the ABET accreditation report as well as provide program data for other reporting requirements. Additionally, 3 months of salary are provided for 3 faculty members to develop the new laboratory courses and the capstone design course for the program. The \$100,000 will be used to provide equipment for the two bioengineering laboratory courses. The other costs category includes ABET accreditation costs. To prepare for the initial ABET accreditation; the services of a mock program evaluator best prepare the program for the initial accreditation visit. Funding for the program is anticipated through formula funding.

Five-Year Costs		Five-Year Funding		
Personnel ¹	\$64,000	Reallocated Funds	\$0	
Facilities and Equipment	\$100,000	Anticipated New Formula Funding ³	\$575,108	
Library, Supplies, and Materials	\$5000	Special Item Funding	\$0	
Other ²	\$3500	Other ⁴	\$0	
Total Costs	\$172,500	Total Funding	\$575,108	

6. <u>TTU: Approve offering 2+2 programs with Collin College</u> on their academic campuses.

Presenter: Dr. Lawrence Schovanec Presentation Time: 3 minutes Board approval required by: Texas Higher Education Coordinating Board

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve offering 2+2 programs in partnership with Collin College on their campuses. This agreement would require Collin College to offer classes to fulfill the first and second year academic requirements. Collin College has campuses in McKinney, Plano, Frisco, Allen, and Rockwall. Texas Tech would offer courses to fulfill the third and fourth year requirements and ensure graduation. These students would graduate with a Texas Tech University degree. Texas Tech would offer these courses on Collin College's campuses and have the opportunity to share resources. Texas Tech would hire their own faculty to teach the third and fourth year courses. Per Board approval, the start date for offering these courses would be August, 2015. If the programs at Collin are not successful, we will teach out the students using online and synchronous delivery of courses using Blackboard Collaborate and/or Lync. There will not be any tenured/tenure-track faculty hired until the programs have proven to be successful. The five-year budget projections are included on the following page.

BACKGROUND INFORMATION

Texas Tech University and Collin College entered into an articulation agreement in 2006. This agreement allowed for the seamless transfer of students to Texas Tech University after completing two years at Collin College. In 2010, Collin College opened the Collin Higher Education Center in McKinney. Currently, there are four university partners that teach third and fourth year courses in their center. These universities include the University of North Texas, Texas Woman's University, Texas A&M University-Commerce, and The University of Texas at Dallas. Recently, Collin College approached Texas Tech University about teaching third and fourth year courses not in their Higher Education Center but on their campuses. This arrangement would allow Texas Tech to have more visibility, have a footprint in this area, and increase enrollment in a strategic manner. Collin County is one of the largest metropolitan areas without a fouryear university. The current population in Collin County is almost 800,000 people.

FY 2016 Faculty Salaries Site Director Advisor Technology Support Facility Rental (Offices) Operating Costs Travel Marketing and Recruitment Materials Total Cost	Number 18 1 1 5	Cost \$5,000 \$45,000 \$50,000 \$700 \$50,000 \$10,000 \$25,000	Fringe Benefits \$24,000 \$13,500 \$15,000	Total \$90,000 \$104,000 \$58,500 \$65,000 \$3,500 \$50,000 \$10,000 \$25,000 \$406,000	Revenue-Expenses
FY 2017 Faculty Salaries Full-time Faculty Site Director Advisor Technology Support Facility Rental (Offices) Operating Costs Travel Marketing and Recruitment Materials Total Cost	Number 18 1 1 1 6	Cost \$5,000 \$65,000 \$45,900 \$51,000 \$700 \$55,000 \$11,000 \$27,500	Fringe Benefits \$19,500 \$24,480 \$13,770 \$15,300	Total \$90,000 \$84,500 \$106,080 \$59,670 \$66,300 \$4,200 \$55,000 \$11,000 \$27,500 \$504,250	Revenue-Expenses
FY 2018 Faculty Salaries Full-time Faculty Site Director Advisor Technology Support Facility Rental (Offices) Operating Costs Travel Marketing and Recruitment Materials Total Cost	Number 18 2 1 1 1 7	Cost \$5,000 \$65,000 \$83,232 \$46,818 \$56,100 \$700 \$60,500 \$12,100 \$30,250	Fringe Benefits \$19,500 \$24,970 \$14,045 \$16,830	Total \$90,000 \$169,000 \$108,202 \$60,863 \$72,930 \$4,900 \$60,500 \$12,100 \$30,250 \$608,745	\$149,075
FY 2019 Faculty salaries Full-time Faculty Site Director Advisor Technology Support Facility Rental (Offices) Operating Costs Travel Marketing and Recruitment Materials Total Cost	Number 18 3 1 1 1 8	Cost \$5,000 \$65,000 \$84,897 \$47,754 \$61,710 \$700 \$66,550 \$13,310 \$33,275	Fringe Benefits \$19,500 \$25,469 \$14,326 \$18,513	Total \$90,000 \$253,500 \$110,366 \$62,081 \$80,223 \$5,600 \$66,550 \$13,310 \$33,275 \$714,904	\$346,044
FY 2020 Faculty Salaries Full-time Faculty Site Director Advisor Technology Support Facility Rental (Offices) Operating Costs Travel Marketing and Recruitment Materials Total Cost	Number 18 4 1 1 1 9	Cost \$5,000 \$65,000 \$86,595 \$48,709 \$67,881 \$700 \$73,205 \$14,641 \$36,603	Fringe Benefits \$19,500 \$25,978 \$14,613 \$20,364	Total \$90,000 \$338,000 \$112,573 \$63,322 \$88,245 \$6,300 \$73,205 \$14,641 \$36,603 \$822,889	\$692,751 \$1,035,440

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Enrollment		100	150	250	350	500
SCH/Student		9	9	9	9	9
SCHs		900	1,350	2,250	3,150	4,500
State Tuition	\$50	\$45,500	\$67,500	\$112,500	\$157,500	\$225,000
Designated	\$163	\$146,628	\$219,942	\$366,570	\$513,198	\$733,140
Tuition						
Student	\$142	\$14,200	\$21,300	\$35,500	\$49,700	\$71,000
Services						
IT Fee	\$27	\$21,150	\$31,725	\$52,875	\$74,025	\$105,750
Advising &	\$4	\$3,600	\$5,400	\$9,000	\$12,600	\$18,000
Retention Fee						
Library Fee	\$330	\$32.950	\$49,425	\$82,375	\$115,325	\$164,750
Records Fee	\$9	\$8,100	\$12,150	\$20,250	\$28,350	\$40,500
OLDE	\$35	\$31,500	\$47,250	\$78,750	\$110,250	\$157,500
Total Revenue		\$303,128	\$454,692	\$757,820	\$1,060,948	\$1,515,640

7. TTUHSC: Approve conferral of emeritus appointment.

Presenter: Dr. Steven L. Berk Presentation Time: 1 minute Board approval required by: Section 04.01.2, *Regents' Rules*, and HSC OP 10.12

RECOMMENDATION

The chancellor concurs with the recommendation of the president that the Board of Regents approve to confer the title of professor emeritus on Peter J. Syapin, Ph.D. for his long and faithful service to the School of Medicine ("SOM") and the Texas Tech University Health Sciences Center ("TTUHSC") in Lubbock.

BACKGROUND INFORMATION

A letter of recommendation was submitted by the department chair to the dean of the School of Medicine and taken up by the SOM Faculty Council Executive Committee which approved the recommendation to confer the emeritus appointment.

Dr. Peter J. Syapin received a bachelor's degree in Biological Sciences from the University of California – Irvine, studying in Strasbourg, France. In 1972, he completed a Ph.D. in Pharmacology and Toxicology from the same university in Irvine, CA. Dr. Syapin joined the TTUHSC in 1990 as an assistant professor Pharmacology, leaving the University of Southern California School of Medicine at Los Angeles. He has made numerous contributions in research, graduate and medical education, and service. Dr. Syapin's research focus was in neurobiology of drugs and CNS disease, including recent projects on neuroimmune modulatory drugs and high alcohol drinking, and neuroimaging studies of college age binge drinkers. Dr. Syapin retired on October 31, 2014.

8. <u>TTUHSC: Approve revised School of Pharmacy Practice</u> Income Plan Bylaws.

Presenter: Tedd Mitchell, M.D. . Presentation Time: 5 minutes Board approval required by PIP Bylaws Section 5.4.2

RECOMMENDATION

The chancellor concurs with the recommendation of the president to approve revisions to the School of Pharmacy's Practice Income Plan ("PIP") Bylaws. The the School of Pharmacy's Practice Income Plan Bylaws with proposed revisions is included as an attachment to the Agenda Book.

BACKGROUND INFORMATION

The School of Pharmacy's Practice Income Plan Bylaws govern the membership, organization, trust fund, and general management of the practice plan income for the Texas Tech University Health Sciences Center School of Pharmacy. The PIP Bylaws were last revised in 2001. Changes in the bylaws to accommodate present leadership, organization structures and titles required the review and subsequent proposed revisions to the bylaws. The proposed revisions were approved by the PIP membership on May 21, 2014.

9. <u>TTUS: Approve amendments to Missions, Regents' Rules,</u> to add a mission statement for TTUHSC El Paso.

Presenter: Dr. Richard Lange Presentation Time: 3 minutes Board approval required by: Sec. 01.08, *Regents' Rules*

RECOMMENDATION

The Regents Rules Review Committee (Rules Committee) recommends that the Academic, Clinical and Student Affairs Committee consider amendments to the Missions document of the *Regents' Rules* to incorporate a mission statement for Texas Tech University Health Sciences Center El Paso ("TTUHSC El Paso") and to adjust the mission statement of the TTU System accordingly.

Although the El Paso campus became a stand-alone institution on September 1, 2013, the development of a Board-approved mission statement for the new institution was pending the arrival of a permanent president of the institution. President Lange took office on July 1, 2014, and has submitted a mission statement for TTUHSC El Paso.

A summary of as well as the proposed changes to the Missions document in the *Regents' Rules* are provided as an attachment to the Agenda Book.

BACKGROUND INFORMATION

Board chair Mickey Long re-established the Rules Committee on March 1, 2013 and appointed the following members to that advisory committee: Larry Anders (chair); Rick Francis; Nancy Neal, and John Walker.

The Rules Committee is charged with considering and, when appropriate, submitting to the appropriate Board committee proposed amendments to the *Regents' Rules* of the Texas Tech University System. Any amendment to the *Regents' Rules* or a Board Policy Statement must be approved by the full Board in accordance with Section 01.08, *Regents' Rules*.

10. <u>TTUS: Approve amendments to Chapter 10, Regents'</u> <u>Rules, regarding the transfer of the Technology</u> <u>Commercialization and Research functions to Texas Tech</u> <u>University.</u>

Presenter: Mr. John Huffaker Presentation Time: 5 minutes Board approval required by: Sec. 01.08, *Regents' Rules*

RECOMMENDATION

The Regents Rules Review Committee ("Rules Committee") recommends that the Academic, Clinical and Student Affairs Committee consider amendments to Chapter 10 ("Intellectual Property") regarding the transfer of the Technology Commercialization and Research functions from the Texas Tech University System Administration to Texas Tech University.

A summary of as well as the proposed changes to Chapter 10 are provided as an attachment to the Agenda Book.

Most of the changes are:

- updates that are housekeeping in nature (such as, changing the titles of the administrators responsible for those functions);
- clarifying changes (such as updating terms to reflect today's technology); or
- conforming changes (such as revising the section numbering system to match that used in all other chapters of the *Regents' Rules*).

One substantive change relates to the signature authority, which was expanded from license agreements only to encompass most documents that further the research commercialization activities of the office.

BACKGROUND INFORMATION

Board chair Mickey Long re-established the Rules Committee on March 1, 2013 and appointed the following members to that advisory committee: Larry Anders (chair); Rick Francis; Nancy Neal, and John Walker.

The Rules Committee is charged with considering and, when appropriate, submitting to the appropriate Board committee proposed amendments to the *Regents' Rules* of the Texas Tech University System. Any amendment to the *Regents' Rules* or a Board Policy Statement must be approved by the full Board in accordance with Section 01.08, *Regents' Rules*.

AUDIT

Audit Committee

Committee Meeting December 11, 2014

- **Time:** 1:45 pm (or upon adjournment of the Academic, Clinical and Student Affairs Committee meeting)
- **Place:** Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

Regents: Francis (Chair), Neal, Steinmetz

<u>Agenda</u>

- Approve minutes of committee meeting held on October 10, 2014
- **III.D.** Consideration of items to be recommended by the Audit Committee to the Board of Regents of the Texas Tech University System ("TTUS") for and on behalf of Angelo State University System ("ASU"), TTUS, the TTU System Administration ("TTUSA"), Texas Tech University ("TTU"), Texas Tech University Health Sciences Center ("TTUHSC"), and Texas Tech University Health Sciences Center El Paso ("TTUHSC El Paso")

Page A

- 2. Executive Session: The Audit Committee will convene into Executive Session in the Masked Rider Room (Room 220), Second Floor, Student Union Building, 15th Street and Akron Avenue, to consider matters permissible under Chapter 551 of the *Texas Government Code*, including:
 - a. Discussion of personnel matters Section 551.074.
 - b. Consultation with Attorney Section 551.071.
- 3. Open Session: At the conclusion of Executive Session, the committee will convene into Open Session in the Matador Room, Second Floor, Room 227, Student Union Building, 15th Street and Akron Avenue, to consider appropriate action, if any, on items discussed in Executive Session.
- 4. Adjournment

NOTE: Following consideration of the above items by the committee, the Committee Chair will present the Committee Report to the full Board of Regents for its consideration on Friday, December 12, 2014.

1. <u>TTUS: Report on audits.</u>

Presenter: Mrs. Kim Turner Presentation Time: 10 minutes Report to Board required by: Section 07.02.7, *Regents' Rules*; and Audit Committee Charter

Mrs. Kim Turner, Chief Audit Executive, will present a report on the System's audit projects.

MEETING OF THE BOARD

Meeting of the Board

Thursday, December 11, 2014

- **Time:** 9:00 am
- **Place:** Red Raider Lounge (Room 119), First Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

<u>Agenda</u>

- I. Joint Meeting of the TTUS Board of Regents, the Executive Committee of the Texas Tech Foundation Board, the Investment Advisory Committee, and the ASU Foundation Board — Refer to agenda provided by Office of Investments/Office of the Chief Financial Officer. Location: Red Raider Lounge (Room 119), First Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock. Texas IntroductionsChairman Long Α. 2014 Economy/Market Review......Tim Bruce (NEPC) Β. Investment Performance ReviewTim Barrett C. D. Questions/Answers **Recess Meeting of the Board/Adjournment** П.
- III. Meeting of Standing Committees: Conducted sequentially and separately from the Meeting of the Board at the adjournment of the joint meeting/Recess of the Meeting of the Board; refer to agenda for each respective committee meeting. Location: Matador Room (Room 227), Second Floor, Student Union

Building, 15th Street and Akron Avenue, Lubbock, Texas

Meeting of the Board

Thursday, December 11, 2014

- **Time:** 2:20 pm (or upon adjournment of the Audit Committee meeting or whenever deemed necessary)
- **Place:** Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

<u>Agenda</u>

- IV. Meeting of the Board—Call to Order; reconvene into Open Session of the BoardChairman Long
- V. Executive Session: The Board may convene into Executive Session, in the Masked Rider Room (Room 220), Second Floor, Student Union Building, 15th Street and Akron Avenue, to consider matters permissible under Chapter 551 of the *Texas Government Code*, including, for example:Chairman Long
 - A. Consultation with attorney regarding privileged communications, pending or contemplated litigation and settlement negotiations Section 551.071
 - B. Deliberations regarding real property: The purchase, lease, exchange, or value of real property – Section 551.072
 - C. Deliberations regarding prospective gifts Section 551.073
 - D. Personnel matters: Discuss the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of employees – Section 551.074
 - E. Deliberations regarding security devices—deployment of security personnel or devices Section 551.076
- VI. **Open Session:** The Board will reconvene in Open Session and meet as a Committee of the Whole and Meeting of the Board to consider and act on:
 - A. Consideration of appropriate action, if any, on items discussed in Executive Session...... Vice Chairman Anders

Meeting of the Board

Friday, December 12, 2014

- **Time:** 8:30 am
- **Place:** Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue, Lubbock, Texas

<u>Agenda</u>

VIII.			Board—Call to Order; reconvene into of the BoardChairma	an Long
IX.	Intro	ductions a	I nd Recognitions Chancellor I Preside Preside President Mitch President	ent May, nt Nellis nell, and
Х.			The Board will continue in Open Session and meet e Whole and Meeting of the Board to consider and	
	A.		minutes of Board meeting held on 10, 2014Chairma	an Long
	В.	Committe	ee of the Whole Vice Chairman	Anders
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		an	SU, TTU, TTUHSC, TTUHSC EI Paso, TTUSA, d TTUS: Approve Consent Agenda; acknowledge view of Information Agenda	7
			Consent Agenda	
		a. b. c.	ASU: Approve faculty development leave of absence (ACS) TTUHSC: Approve appointment to non- elective position of honor (ACS) TTU: Approve affirmation of managerial group and exclude members of the Board of Regents from access to classified information (CW)	

d. TTU: Approve naming of graduate student office in the Terry Fuller Petroleum Engineering Research Building (F)

Information Agenda

Information is provided as required by Section 01.02.6.b(2)(c), *Regents' Rules*

- ASU, TTU and TTUHSC: Summary of Revenues and Expenditures by Budget Category, FY 2014, per Section 01.02.8.d(3)(f), *Regents' Rules:* All actual expenditures will be reviewed by the Finance and Administration Committee annually and provided as information.
- (2) TTUHSC and TTUHSC EI Paso: Contract Renewals per Section 07.12.4.b., *Regents' Rules:* <u>"Approval of the President is required for all</u> <u>component institution contract renewals or</u> <u>amendments. A list of those renewal contracts in</u> <u>excess of \$500,000 per annum, including the amount</u> <u>of the contract, will be provided to the board as an</u> <u>information item at the next board meeting."</u>
- (3) ASU: Contracts for the services of a consultant with an initial consideration of \$25,000 or less per Section 07.12.2d(2)(b), *Regents' Rules: "A report of the contract shall be provided as an information Agenda item at the next board meeting."*
- (4) TTU: Report on establishment of new centers and institutes per Section 04.11.2., *Regents' Rules:* <u>"The establishment or substantive restructuring of a center, institute, or other academic unit or program not addressed in Section 04.11.1 herein shall be approved by the president, with notice provided to the board via an item in the Information Agenda for the next meeting of the board."</u>
- XI. Reports of Standing Committees: Standing Committee reports will be presented sequentially to the Committee of the Whole.

	A.	Report of the Facilities CommitteeRegent Montford
	В.	Report of the Finance and Administration CommitteeRegent Steinmetz
	C.	Report of the Academic, Clinical and Student Affairs CommitteeRegent Neal
	D.	Report of the Audit CommitteeRegent Francis
XII.		Board will continue in Open Session as the Committee of the e and Meeting of the Board of Regents.
	A.	Schedule for Board meetings: February 26-27, 2015, San Angelo May 14-15, 2015, Lubbock August 6-7, 2015, Lubbock December 10-11, 2015, Lubbock
	В.	The Chancellor's ReportChancellor Duncan
	C.	The President's Report, ASU President May
	D.	The President's Report, TTU President Nellis
	E.	The President's Report, TTUHSC President Mitchell
	F.	The President's Report, TTUHSC EI Paso President Lange
XIII.	Sessi Stude matte	utive Session: The Board may convene into Executive on, in the Masked Rider Room (Room 220), Second Floor, ent Union Building, 15 th Street and Akron Avenue, to consider ers permissible under Chapter 551 of the <i>Texas Government</i> , including, for example:
	А.	

- Consultation with attorney regarding privileged communications, pending or contemplated litigation and settlement negotiations – Section 551.071
- B. Deliberations regarding real property: The purchase, lease, exchange, or value of real property – Section 551.072
- C. Deliberations regarding prospective gifts Section 551.073

- D. Personnel matters: Discuss the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of employees Section 551.074
- E. Deliberations regarding security devices—deployment of security personnel or devices Section 551.076
- **XIV. Open Session:** The Board will convene into Open Session in the Matador Room (Room 227), Second Floor, Student Union Building, 15th Street and Akron Avenue and meet as a Committee of the Whole and Meeting of the Board to consider and act on:

XV.	Adj	ournment	Chairman Long
	В.	Chairman's Announcements	Chairman Long
	A.	Consideration of appropriate action, if any, on discussed in Executive Session	

1. <u>ASU, TTU, TTUHSC, TTUHSC EI Paso, TTUSA and TTUS:</u> <u>Approve Consent Agenda; acknowledge review of</u> <u>Information Agenda.</u>

RECOMMENDATION

The chancellor recommends that the Board of Regents (i) approves the Consent Agenda for the meeting of December 11-12, 2014; and (ii) acknowledge its review of the Information Agenda for the same meeting.

BACKGROUND INFORMATION

Pursuant to Section 01.02.6.b(2), *Regents' Rules,* the Board of Regents approves certain administrative actions.

This action is required to authorize the various officers and officials of Texas Tech to perform the tasks and duties delineated in the policies of the Board of Regents. This action also confirms the authority to prepare reports, execute contracts, documents, or instruments approved within the Consent Agenda and further confirms that such authority has been delegated to the officer or official preparing and/or executing the said item.

CONSENT/ INFORMATION AGENDA

BOARD OF REGENTS TEXAS TECH UNIVERSITY SYSTEM

CONSENT AGENDA and INFORMATION AGENDA

December 11-12, 2014

BOARD OF REGENTS

Mr. Mickey L. Long, Chair Mr. Larry K. Anders, Vice Chair Mr. John D. Esparza Mr. L. Frederick "Rick" Francis Mr. Tim Lancaster Mrs. Debbie Montford Mrs. Nancy Neal Mr. Coby Ray, Student-Regent Mr. John D. Steinmetz

Mr. John B. Walker

Standing Committees:

Academic, Clinical and Student Affairs: Nancy Neal (Chair), Tim Lancaster, Debbie Montford, Coby Ray

> Audit: Rick Francis (Chair), Nancy Neal, John Steinmetz

Facilities: Debbie Montford (Chair), John Esparza, John Walker

Finance and Administration: John Steinmetz (Chair), Rick Francis, John Walker
REVISED

TEXAS TECH UNIVERSITY SYSTEM BOARD OF REGENTS

December 11-12, 2014

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a.	ASU: Approve faculty development leave of absence (ACS) 1
b.	TTUHSC: Approve appointment to non-elective position of honor (ACS)
C.	TTU: Approve affirmation of managerial group and exclude members of the Board of Regents from access to classified information (CW)
d.	TTU: Approve naming of graduate student office in the Terry Fuller Petroleum Engineering Research Building (F)

INFORMATION AGENDA

(Titles only; full agenda is on page 6) Information is provided as required by Section 01.02.6.b(2)(c), *Regents' Rules*

NOTE: The following are reports or other documents which, according to the *Regents' Rules* or state law, must be made available to the Board of Regents. As such, the reports below are on file in the Board Office, and their listing on the Information Agenda constitutes notice that they are available to Board members upon request.

- (1) ASU, TTU and TTUHSC: Summary of Revenues and Expenditures by Budget Category, FY 2014, per Section 01.02.8.d(3)(f), Regents' Rules: All actual expenditures will be reviewed by the Finance and Administration Committee annually and provided as information.
- (2) TTUHSC and TTUHSC EI Paso: Contract Renewals per Section 07.12.4.b., *Regents' Rules:* "Approval of the President is required for all component institution contract renewals or amendments. A list of those renewal contracts in excess of \$500,000 per annum, including the amount of the contract, will be provided to the board as an information item at the next board meeting."
- (3) ASU: Contracts for the services of a consultant with an initial consideration of \$25,000 or less per Section 07.12.2d(2)(b), *Regents' Rules*: <u>"A report of the contract shall be provided as an information Agenda item at the next board meeting."</u>
- (4) TTU: Report on establishment of new centers and institutes per Section 04.11.2., Regents' Rules: <u>"The establishment or</u> substantive restructuring of a center, institute, or other academic unit or program not addressed in Section 04.11.1 herein shall be approved by the president, with notice provided to the board via an item in the Information Agenda for the next meeting of the board."



a. ASU: Approve faculty development leave of absence.

Board approval required by: Section 4.05.1, *Regents' Rules*; ASU Operating Policy 06.12

The request is to approve the following leave of absence. This request has been approved administratively by the president and the chancellor and is recommended for approval by the Board of Regents.

Leave without pay for Dr. Eddie F.Holik III, Assistant Professor of Physics, College of Arts and Sciences, for the period of January 1, 2015 through January 1, 2016. The purpose of this leave is to allow Dr. Holik to perform research in the design and construction of superconducting magnets at the Fermilab Accelerator Laboratory in Chicago, Illinois, supported by the Toohig Fellowship. Of note is Dr. Holik's arrangement under the Fellowship to return to accelerator facilities in the summers follow his fellowship accompanied by ASU student researchers. This experience will enhance Dr. Holik's career as well as benefit physics students, the Department of Physics and Geosciences, and Angelo State University.

BACKGROUND INFORMATION

Section 4.05.1, *Regents' Rules*, requires Board approval of leaves of absence for faculty. The existing policy provides that leaves may be granted under conditions allowable by the state of Texas. Faculty members submit requests for leave through their respective deans to the provost with final consideration by the president. The president has approved the leave as indicated.

b. <u>TTUHSC: Approve appointment to non-elective position of honor.</u>

Board approval required by Section 574.001(a), Texas Government Code; and HSC OP 70.18

The request is to approve the appointment of Surendra K. Varma, MD, FAAP, D.Sc (Hon), to serve on the Texas Medical Board. The board protects and enhances the public's health, safety and welfare by establishing and maintaining standards of excellence used in regulating the practice of medicine and ensuring quality health care for Texans. This request has been approved administratively by the president and the chancellor and is recommended for approval by the Board of Regents.

BACKGROUND INFORMATION

Dr. Varma has been appointed by Governor Rick Perry to serve on the Texas Medical Board for a term to expire April 13, 2019. Dr. Varma is associate dean of Graduate Medical Education and Resident Affairs at the Texas Tech University Health Sciences Center (TTUHSC). He is the Ted Hartman Endowed Chair in Medical Education and vice-chair of Pediatrics at the TTUHSC School of Medicine. He is certified by the American Board of Pediatrics in pediatrics and pediatric endocrinology. He is a member of the American and Texas Pediatric societies, American and Texas Medical associations, Pediatric Endocrine Society, American Academy of Pediatrics, Society for Pediatric Research, The Endocrine Society, American Diabetes Association, Academic Pediatric Association and Texas Medical Board District Three Review Committee. He is also a member of the Texas Medical Foundation Health Quality Institute Board of Trustees, past president of the Texas Pediatric Society and the Lubbock, Crosby and Garza County Medical societies, and a past member of the U.S. Health and Human Services Advisory Committee on Training in Primary Care Medicine and Dentistry. He served in the U.S. Army Reserve.

Dr. Varma received a medical degree from King George's Medical University and completed his pediatrics and pediatric endocrinology fellowships at Harvard Medical School.

c. <u>TTU: Approve affirmation of managerial group and exclude</u> <u>members of the Board of Regents from access to classified</u> <u>information.</u>

Approval required by: Section 01.02.1.b, *Regents' Rules*, and Section 109.001(c), *Texas Education Code*, *National Industrial Security Program Operating Manual*

The request is to approve the following resolutions affirming the classified material managerial group and excluding members of the Board of Regents from access to classified information, as provided for in Department of Defense 5220.22-M, National Industrial Security Program Operating Manual, 2-104 and 2-106. This request has been approved administratively by the president and the chancellor and is recommended for approval by the Board of Regents.

RESOLVED, that those persons occupying the following positions at Texas Tech University ("TTU") be known as the Managerial Group, having the authority and responsibility for the negotiation, execution and administration of User Agency contracts, as described in Department of Defense 5220.22-M, *National Industrial Security Program Operating Manual*:

President, TTU Vice President for Research, TTU Senior Associate Vice President for Research (Facility Security Officer), TTU

RESOLVED, that the Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the Department of Defense or User Agencies of the Industrial Security Program awarded to TTU;

RESOLVED, that until such time as the persons occupying the position of President and Vice President for Research have been granted Personnel Security Clearances by the Department of Defense, these persons shall be excluded from access to all classified information in the possession of TTU;

RESOLVED, that the following named officers and members of the Board of Regents shall not require, shall not have, and can be effectively excluded from, access to all classified information in the possession of TTU, and do not occupy positions that would enable them to affect adversely the policies and practices of TTU in the performance of any classified contracts for the Department of Defense or User Agencies of its Industrial Security Program awarded to TTU, and need not be processed for personnel security clearance:

BOARD OF REGENTS

Mr. Larry K. Anders Mr. Tim Lancaster Mrs. Nancy Neal Mr. Coby Ray (student regent)

Mr. John Esparza Mr. Mickey L. Long Mr. John D. Steinmetz Mr. L. Frederick Francis Mrs. Debbie Montford Mr. John Walker

BACKGROUND INFORMATION

Protection of classified information is regulated by the Federal Government. Federal regulations regarding security matters provide a means for the Board of Regents to delegate responsibility for the protection of classified information to a Managerial Group. The alternative to a managerial group is for the Board to retain this responsibility under conditions established by federal regulations and which will require Board members to obtain a security clearance for access to classified information. Most universities elect to establish managerial groups.

To operate with a managerial group, the Board, by federal regulation, must exclude themselves from possessing a security clearance and instead appoint officials of the university to act as the managerial group.

With the appointment of the most recent regents, the Board of Regents must update its statement of self-exclusion to meet the requirements of federal regulations.

d. <u>TTU: Approve naming of graduate student office in the Terry</u> <u>Fuller Petroleum Engineering Research Building.</u>

Board approval required by: Section 08.05, *Regents' Rules*

The request is to approve naming the graduate student office in the Terry Fuller Petroleum Engineering Research Building the "McGraw Family Graduate Student Office". The donors concur with the naming of this facility. This request has been approved administratively by the president and the chancellor and is recommended for approval by the Board of Regents.

The naming meets the requirement of donation of at least 50 percent of the project's construction cost as stated in *Regents' Rule*, Section 08.05.

BACKGROUND INFORMATION

Scott, Kyle, Kenneth and Michael McGraw made a generous donation to the Terry Fuller Petroleum Engineering Research Building. In recognition of the gift, the graduate student office will be named the "McGraw Family Graduate Student Office".

Section 08.05, *Regents' Rules*, state that the Board of Regents, upon the recommendation of the president and chancellor shall approve the naming of all buildings, auditoriums, rooms, laboratories, streets, athletic fields, landscape features and other facilities within the Texas Tech University System. An individual, foundation, or corporation providing funding to build new facilities, to renovate or expand existing facilities, or to provide an endowment for the support of a facility or facility-based program of the TTU system may have an area named after the donor provided 50 percent of the cost of the designated area and/or equipment therein is contributed by the donor.

CONTENTS OF THE INFORMATION AGENDA

Section 01.02.6.b(2)(c), *Regents' Rules*, provides: "material required by a provision of the *Regents' Rules* to be furnished to the Board as information will be listed in the information agenda."

NOTE: The following are reports or other documents which, according to the *Regents' Rules* or state law, must be made available to the Board of Regents. As such, the reports below are on file in the Board Office, and their listing on the Information Agenda constitutes notice that they are available to Board members upon request.

INFORMATION AGENDA

Information is provided as required by Section 01.02.6.b(2)(c), *Regents' Rules*

NOTE: The following are reports or other documents which, according to the *Regents' Rules* or state law, must be made available to the Board of Regents. As such, the reports below are on file in the Board Office, and their listing on the Information Agenda constitutes notice that they are available to Board members upon request.

- (1) ASU, TTU and TTUHSC: Summary of Revenues and Expenditures by Budget Category, FY 2014, per Section 01.02.8.d(3)(f), *Regents' Rules:* All actual expenditures will be reviewed by the Finance and Administration Committee annually and provided as information.
 - (a) ASU: Report dated August 31, 2014 for fiscal year 2014 (available for review upon request);
 - (b) TTU: Report dated August 31, 2014 for fiscal year 2014 (available for review upon request); and
 - (c) TTUHSC: Report dated August 31, 2014 for fiscal year 2014 (available for review upon request).
- (2) TTUHSC and TTUHSC El Paso: Contract Renewals per Section 07.12.4.b., *Regents' Rules:* <u>"Approval of the President is required for all</u> <u>component institution contract renewals or amendments. A list of those renewal</u> <u>contracts in excess of \$500,000 per annum, including the amount of the contract, will</u> <u>be provided to the board as an information item at the next board meeting."</u>

TTUHSC:

- (a) 14688-0; University Medical Center UMC Lubbock; renewal of "Agreement for Funding Support, Center for Cardiovascular Excellence"; \$1,000,000.00.
- (b) 13320-C; Northwest Texas Healthcare System Inc; amendment to "Master Services Agreement" to add \$429,250.00 ER call coverage services; \$15,491,250.00 per annum.
- (c) 13440-11; Discovery Medical Network Inc; amendment to the "Services Agreement" 1115 Waiver, Assigned Location = Lubbock County Hospital District dba "UMC" to reduce by \$100,000.00: \$23,925,212.00.
- (d) 13220-B; Permian Basin Clinical Servicing Partnership; amendment to extend term for an additional year and increase by \$693,000.00; "Master Coordinating Agreement" Faculty & Resident Support RE: Medical Center Hospital; \$12,960,634.00.

TTUHSC El Paso:

 (a) A4086-1; El Paso County Clinical Services Inc.; "Pathology Services Agreement"; Service Agreement to extend for three additional years; A 3% annual increase will automatically accrue for each subsequent year. \$6,800,119.00.

- (3) ASU: Contracts for the services of a consultant with an initial consideration of \$25,000 or less per Section 07.12.2d(2)(b), *Regents' Rules*: <u>"A report of the contract shall be provided as an information Agenda item at the next board meeting."</u>
 - (a) Erickson Consulting Services LLC; \$12,000. Responsible Administrator: Brandy Hawkins, Director of Grants and Operations; Selection Process: Selected based on consultants' experience with evaluating and managing Hispanic Serving Institutions (HSI) programs. Purpose: To write grant proposals for pending Title V grant upon award. Deliverables: Grant proposals to be submitted to the U.S. Department of Education.
 - (b) Erickson Consulting Services LLC; \$15,000. Responsible Administrator: Brandy Hawkins, Director of Grants and Operations; Selection Process: Selected based on consultants' experience with evaluating and managing Hispanic Serving Institutions (HSI) programs. Purpose: To provide external evaluation for Title V Coop project upon award. Deliverables: Evaluations of grant project, two site visits for evaluation, and a formal written assessment after each visit.
- (4) TTU: Report on establishment of new centers and institutes per Section 04.11.2., Regents' Rules: <u>"The establishment or substantive</u> restructuring of a center, institute, or other academic unit or program not addressed in Section 04.11.1 herein shall be approved by the president, with notice provided to the board via an item in the Information Agenda for the next meeting of the board."

<u>TTU:</u>

- (a) Center for Emerging Energy Sciences (CEES), Office of the Vice President for Research; establish a center which will initially bridge physics and chemistry in the scientific exploration for the origin of the Anomalous Heat Effect (AHE). Once the origin of the AHE is established, this center's effort will shift toward energy engineering, with engagement with mechanical and electrical engineering. This highly focused effort will involve close collaborations with ENEA (Ente Nazionale per l'Energia Atomica), the National Energy and Environment Laboratory of Italy, and with a contract to a scientist who will soon retire from Stanford Research International (SRI) in Palo Alto, CA.
- (b) Institute for the Study of Addiction, Recovery and Families, College of Human Sciences; establish an institute to manage and coordinate collaboration between centers at the level of research, grant activity, development/funding, and community outreach. The institute's primary objective will be to grow the centers while using the institute and its director as a primary source of contact and focus, highlighting the myriad of research, community support, and funding opportunities that are available. The institute will oversee the following three centers: (1) Center for Family Systems Research and Intervention, (2) Center for Addiction Recovery Research and (3) Center for Collegiate Recovery Communities.
- (c) Center for Family Systems Research and Intervention, College of Human Sciences; establish a center within the Institute for the Study of Addiction, Recovery and Families to generate clinical couple and family data supporting theses, dissertations and peer reviewed research. Also, the center will function as a community resource for affordable clinical services and will collaborate with various partners to expand partner violence research. It will facilitate the training and supervision of licensed clinicians with a focus on addiction and recovery. The center will have close collaborations with the Center for Addiction Recovery Research and the Center for Collegiate Recovery Communities.

- (d) Center for Addiction Recovery Research, College of Human Sciences; establish a center within the Institute for the Study of Addiction, Recovery and Families to generate clinical addiction recovery data supporting graduate student research and faculty led peer reviewed research. The center will pursue federal funding for recovery research related to (1) brain science of addiction (neuroimaging), (2) creating a national consensus definition of recovery, (3) identifying factors influencing long-term recovery, and (4) addiction science related to eating disorders. The center will have close collaborations with the Center for Family Systems Research and Intervention and the Center for Collegiate Recovery Communities.
- (e) Center for the Study of Addiction and Recovery name change to Center for Collegiate Recovery Communities, College of Human Sciences; name changed to better represent what is done on a community, state, national and international level. The center's organization, leadership, and financial structure will remain the same. The center will have close collaborations with the Center for Family Systems Research and Intervention and the Center for Collegiate Recovery Communities.

ATTACHMENTS

ATTACHMENT

TTUS Summary of proposed Board policy on the Sale or service of alcoholic beverages

ATTACHMENT ____

Summary of proposed Board policy on the sale or service of alcoholic beverages

[proposed ... 11-17-2014]

CURRENT POLICIES AND PROCEDURES:

The current policies and procedures in the *Regents' Rules* of the Texas Tech University System (TTU System) and institutional operating policies (OP's) regarding the sale or service of alcoholic beverages are limited in certain respects, and there is not a broad or general policy that applies uniformly to all entities within the TTU System. The current TTU System policies include the following:

- **Regents' Rules** There is scant reference to the sale or service of alcohol in the current *Regents' Rules*, with the only exception being a provision in Section 08.07.2 that requires component institutions with "Community Cultural Facilities" to adopt policies regarding the service of alcohol in those facilities.
- Texas Tech University OP's TTU has only one OP that speaks to the serving of alcoholic beverages. OP 61.39 regarding use of the International Cultural Center provides a general prohibition on the serving of alcoholic beverages on the premises of that facility without "special written permission" from the President or the Chancellor.
- Texas Tech University Health Sciences Center OP's OP 72.16 provides that alcoholic beverages may be served at TTUHSC campus locations only with the "prior written approval of the President or designee."
- Angelo State University OP's ASU has a venue-specific policy (OP 74.06) that is coupled with fairly specific procedures and rules that govern the serving of alcoholic beverages at ASU facilities, which include:

-- The President approves the venues in which alcoholic beverages may be served (currently only 3 facilities – the Houston Harte University Center, the Junell/Stephens Arena, and the University Lake Facility).

-- Various university administrators, including the President, must give their prior approval for each occasion at which alcoholic beverages will be served.

-- At the event, food and non-alcoholic beverages must be served in addition to alcoholic beverages.

PROPOSED POLICY FOR THE REGENTS' RULES:

After analyzing the existing policies of the TTU System and reviewing the policies of other university systems, it is recommended that a system-wide policy should provide for <u>different treatment</u> of:

-- situations in which an institution licenses the sale of alcoholic beverages; versus ...

-- more common situations in which complimentary alcoholic beverages or a cash bar are provided at a "single occasion" event.

[Summary of proposed alcohol policy, continued]

Further, while venue-specific policies may be appropriate for some institutions within the TTU System, this could be unwieldy and difficult to manage for other institutions that may have a greater diversity of locations.

With these factors in mind, the attached proposed addition to Chapter 08 (Facilities), *Regents' Rules*, was developed to establish a system-wide policy governing the sale or service of alcoholic beverages. The proposed policy would be incorporated as a new Section 08.07.5, which is based on the following propositions:

- Institutions would be required to establish an operating policy that governs the sale or complimentary service of alcoholic beverages at any facility owned, used or occupied by the institution.
- The new *Regents' Rules* policy on alcoholic beverages is not intended, however, to regulate every instance of consumption of alcoholic beverages on such properties. Rather, the policy is intended to set standards for situations in which the sale or service of alcoholic beverages is done at an event or activity sponsored or licensed by a TTU System department or division.
- Approval and Accountability:
 - -- It is presumed that the approval of the President for every <u>single occasion</u> service or sale of alcoholic beverages could be unwieldy for some institutions. Consequently, the default approval is at the departmental level regardless of whether the occasion is one of complimentary service or cash-bar sales. However, an institution would be free to adopt an operating policy that requires the approval of the President for every such event.
 - -- For the sale of alcoholic beverages by a third-party vendor at or in conjunction with <u>an intercollegiate athletic event</u> at a TTU System facility, Board approval would be required.
 - -- For other sales of alcoholic beverages pursuant to an <u>ongoing licensing contract</u>, the approval level resides in the President's office, with prior notice to the Chancellor and the Board.

[*NOTE:* There currently are 4 such arrangements, all at TTU, which include agreements with: <u>ClubCorp</u> for the Texas Tech Club plus club-level concessions and suite service in Jones AT&T Stadium; <u>Ovations</u> for Club Red in the United Supermarkets Arena plus suite service in the Arena and at Rip Griffin Park; <u>Troon</u> for the clubhouse and on-course concessions at the Rawls Course; and arrangements for operation of the Restaurant, Hotel & Institutional Management Department's <u>Skyviews Restaurant</u>.]

 Institutional operating policies that govern the sale or service of alcoholic beverages would have to include the minimum requirements set forth in the system-wide policy, but the Presidents, based on unique factors at their respective institutions, would be free to add more specific and/or more restrictive requirements. These institutional operating policies would be subject to Board approval, with any substantive changes thereafter also being subject to Board approval.

Amend Chapter 08 (Facilities) regarding alcohol policy

Amend Chapter 08 (Facilities), REGENTS' RULES, by adding a new Section 08.07.5, as follows:

- 08.07 TTU system space and facilities use
 - • •
 - 08.07.5 Alcoholic beverages.
 - a. Each component institution shall develop operating poli-

cies regarding the sale or complimentary service of alco-

holic beverages at any TTUS facility.

[The REGENTS' RULES define "facility" as: "Any building(s) or structure(s), any improved or unimproved land, or any part of any such building(s), structure(s), or land that is owned, used, or occupied by the TTU system." (Sec. 08.00.1)]

[The REGENTS' RULES also define "<u>TTUS</u>" and "<u>TTU system</u>" to mean: "All component units of the Texas Tech University System, including the TTU system administration and the component institutions." (Sec. 00.01.2.b)]

- <u>b.</u> Each component's institutional policy shall include, and shall be deemed to include (whether explicitly stated or not), the following minimum requirements:
 - (1) Any sales or complimentary service of alcoholic beverages shall comply with federal, state, and local laws regarding the possession, consumption, and distribution of alcoholic beverages.
 - (2) Any event in which alcoholic beverages are to be served on a complimentary basis shall be pre-approved in writing by the head of the respective office or department sponsoring the event.

- (3) All service of alcoholic beverages at any TTUS event shall be provided by a caterer or server(s) licensed by the Texas Alcoholic Beverage Commission to serve alcoholic beverages who provide proof of appropriate insurance coverage.
- (4) Any agreement for sales of alcoholic beverages at a single TTUS event shall be with a third-party vendor holding all permits required by the Texas Alcoholic Beverage Commission and shall be approved in writing by the head of the sponsoring office or department.
 [NOTE: The "single event sales" provision above is intended to address sales via a cash bar at a reception,

dinner or other one-time event.]

(5) Any agreement to license the sale of alcoholic beverages es by a third-party vendor at or in conjunction with any intercollegiate athletic event at a TTUS facility shall be approved by the board. Any other agreement to license sales of alcoholic beverages by a third-party vendor on a term or multi-event basis shall be approved by the president of the component institution that is responsible for the facility or facilities involved. Before any such approval is granted, the president shall notify the chancellor and the board of the proposed agreement.

- (6) No department or office of the TTU system shall be licensed to sell alcoholic beverages unless such sales activity is a necessary component of the department's or office's approved academic curriculum (for example, the Department of Restaurant, Hotel and Institutional Management in TTU's College of Human Sciences).
 Before any such application is submitted, the approval of the department chair or head of the academic unit involved, the dean of the college or school, and the president of the respective component institution shall be obtained.
- <u>c.</u> Renewed or revised policies required by this section

 adopted by a component institution subsequent to board
 approval of this provision shall be subject to the prior approval of the board. Thereafter, any substantive change
 in the component institution's policies shall be subject to
 approval by the board.

ATTACHMENT

2

TTUS Summary of proposed Board policy on honorary statues, sculptures, and other artistic representations

ATTACHMENT ____

Summary of proposed Board policy on honorary statues, sculptures, and other artistic representations

[proposed ... 11-17-2014]

The Board must approve most designations that bestow an honor upon a person, group or other entity. The *Regents' Rules* currently require Board approval for:

- -- all honorary <u>namings</u>, including: facility namings; gift-related namings; the naming of academic programs and units (such as schools, colleges and departments); and any other honorific naming
- -- honorary <u>plaques</u> for former chancellors and presidents
- -- honorary <u>degrees</u>
- -- honorary titles, such as emeritus appointments

It is proposed that the Board also should approve the acquisition ... whether by gift, purchase or commission ... of a statue, sculpture or other artistic representation that honors a specific person, group or entity (*"honorary statue or similar artwork"*).

The chapter on <u>Honorifics and Seals</u> (Chapter 12) would be amended to require advance approval by the Board for the commissioning, purchase or acceptance of a gift by the TTU system of any honorary statue or similar artwork. Such an acquisition would be required to follow the review and approval process for the acquisition of public art ... as provided in Chapter 08 (Facilities) ... which includes:

- The University Public Art Committee (UPAC) reviews the proposed acquisition and considers the following factors:

 fit with the Campus Master Plan ... cost of installation ... maintenance requirements ... other factors deemed appropriate by the UPAC.
- -- The UPAC makes a recommendation to the respective President, and the President makes a recommendation to the Chancellor.

The acquisition of artwork for the Public Art Program currently ends with a final decision by the Chancellor. So, a special provision would be added to the <u>Facilities</u> chapter (Chapter 08) to ensure that honorary statues and similar artwork go through the Public Art Program review and approval process (UPAC \rightarrow President \rightarrow Chancellor) but also must be approved by the Board.

The result is that, if an honorary statue or similar artwork <u>will not</u> be included in the Public Art Collection, the review and approval process is governed by Chapter 12. But, if an honorary statue or similar artwork <u>will</u> become part of the Public Art Collection, the review and approval process is governed by Chapter 08. And either way, the acquisition is reviewed by the UPAC, recommendations are made by the UPAC, President and Chancellor, and Board approval is required.

As with other honorary designations, the Board will reserve the authority to rescind a previous approval and require the removal of an honorary statue or similar artwork.

Amendments to Chapter 12 (Honorifics and Seals)

Amend Chapter 12, *Regents' Rules*, by adding a new Section 12.06 and renumbering the remaining sections accordingly, as follows:

12.06 Honorary statue, sculpture, or other artistic representation.

- 12.06.1 The review and approval process for the commissioning, purchase, or gift acceptance of an honorary statue, sculpture, or other artistic representation that depicts one or more specific individuals or that otherwise honors any specific individual, group, foundation, corporation, or other business entity shall follow the review and approval procedures established for the Public Art Collection, as provided in Section 08.02.4.e, *Regents' Rules*.
- 12.06.2 The board shall approve in advance the commissioning, purchase, or acceptance of a gift by the TTU system of any honorary statue, sculpture, or other artistic representation.
- <u>12.06.3</u> For the purposes of this section, an honorary statue, sculpture, or other artistic representation includes any such work of art that:
 - a. is planned and executed with the specific intention of being sited, staged, or exhibited permanently in or on any building or structure, any improved or unimproved land, or any part of any such buildings, structures, or land that is owned, used, or occupied by the TTU system;
 - b. is accessible to the public; and
 - c. is not a work of art that is or will be owned or held by the Museum of Texas Tech University, the National Ranching Heritage Center, or any other institutional gallery or museum entity owned or maintained by the TTU system.
- 12.06.4In unusual and unforeseen circumstances, the board reserves the
right to rescind a previous approval and require the removal of an
honorary statue, sculpture, or other artistic representation.

Amendments to Chapter 08 (Facilities)

Amend Section 08.02.4, *Regents' Rules*, by adding a new Subdivision e., as follows:

- 08.02.4 University Public Art Committee.
 - a. The chancellor, in consultation with the presidents, shall approve nominations of members to serve on the University Public Art Committee ("UPAC") to recommend major public art acquisitions. The nominations provided to the chancellor and presidents shall be submitted by the UPAC. The UPAC shall be composed of the FP&C vice chancellor, the Public Art Manager, students, faculty, and staff of the TTU system, individuals from the communities surrounding the various campuses of the component institutions, and professional artists who are alumni of a component institution of the TTU system. The president of the appropriate component institution shall appoint a representative to the UPAC for the selection of works of public art for inclusion in a major construction project on a case by case basis.
 - b. The UPAC will review all proposed new commissions of campus public art and take into consideration the Campus Master Plan, the cost of installation, maintenance requirements, and other factors deemed appropriate by the UPAC. The UPAC shall provide a final recommendation to the respective president for the inclusion of the artwork in the Public Art Collection.

[see the definition of "Public Art Collection" provided at the end of this document]

c. Proposed gifts to the public art program must be made in accordance with the respective institution's operating policies and procedures. To qualify for acceptance, such proposed gifts must meet the UPAC's acquisition criteria and standards. The UPAC shall review each proposed gift of public art, and this review shall take into consideration the following factors: the Campus Master Plan; the cost of installation; maintenance requirements; and any other factors deemed appropriate by the UPAC. If the UPAC votes to recommend acceptance of a proposed gift for inclusion in the Public Art Collection, the Public Art Manager shall provide a final recommendation to the respective president regarding the gift's inclusion in the Public Art Collection.

- d. [The] Except as provided in Section 08.02.4.e, herein, the respective president shall make a recommendation to the chancellor regarding proposed new artwork, and the chancellor shall make the final determination of whether the proposed new artwork is to be included in the Public Art Collection.
- e. Inclusion of an honorary statue, sculpture, or other artistic representation in the Public Art Collection.

[see the definition of "Public Art Collection" provided at the end of this document]

- (1) If a proposed new commission of campus public art (per Section 08.02.4.b, herein) or a proposed gift to the public art program (per Section 08.02.4.c, herein) involves an honorary statue, sculpture, or other artistic representation that depicts one or more specific individuals, or that otherwise honors any specific individual, group, foundation, corporation, or other business entity:
 - (a) the UPAC shall conduct its review and make its recommendation in accordance with Section 08.02.4.b or Section 08.02.4.c, as appropriate;
 - (b) the respective president shall make a recommendation to the chancellor;
 - (c) the chancellor shall make a recommendation to the board; and
 - (d) the board shall grant the final approval of the proposed new statue, sculpture, or other artistic representation.

- (2) For the purposes of this subdivision, a statue, sculpture, or other artistic representation includes any such work of art that:
 - (a) is planned and executed with the specific intention of being sited, staged, or exhibited permanently in or on any building or structure, any improved or unimproved land, or any part of any such buildings, structures, or land that is owned, used, or occupied by the TTU system;
 - (b) is accessible to the public.
 - (c) is not a work of art that is or will be owned or held by the Museum of Texas Tech University, the National Ranching Heritage Center, or any other institutional gallery or museum entity owned or maintained by the TTU system.
- (3) In unusual and unforeseen circumstances, the board reserves the right to rescind a previous approval and require the removal of an honorary statue, sculpture, or other artistic representation.

NOTE: Texas Tech's "Public Art Collection" is defined by Sec. 08.00.5 to mean:

"All works of art purchased using the funds designated for that purpose by Section 08.02.3, *Regents' Rules*, and select public works of art that have been donated specifically to the Public Art Collection or which predate the Public Art program's care at the time of its inception. Excluded from the Public Art Collection are works of art owned or held by the Museum of Texas Tech University, the National Ranching Heritage Center, and any other institutional galleries or museum entities owned or maintained by the TTU system or funded by means other than the funds designated for that purpose by Section 08.02.3, *Regents' Rules."*

ATTACHMENT



TTUS Certificate of Resolution 16th supplemental resolution to the master resolution

REVISED ATTACHMENT 3--TTUS CERTFICATE FOR RESOLUTION 16TH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION (IN FINAL FORM)

Adopted: 12/12/2014

SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$400 MILLION AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

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SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND **DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY** SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND BONDS IMPROVEMENT IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$400 MILLION AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, on October 21, 1993, the Board of Regents of Texas Tech University (now known as the Board of Regents of Texas Tech University System, and herein referred to either as the "Board" or the "Issuer"), acting separately and independently for and on behalf of Texas Tech University ("TTU") and Texas Tech University Health Sciences Center (the "Health Sciences Center"), adopted a resolution establishing the "Revenue Financing System", which resolution, together with the resolutions adopted November 8, 1996 and on August 22, 1997, is referred to herein as the "Master Resolution"; and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution; and

WHEREAS, the Master Resolution establishes the Revenue Financing System comprised of each institution and agency currently in the Texas Tech University System, and pledges the Pledged Revenues attributable to each participant of the Revenue Financing System to the payment of Parity Obligations to be outstanding under the Master Resolution; and

WHEREAS, the Board has previously adopted the First through Fifteenth Supplemental Resolutions to the Master Resolution authorizing Parity Obligations thereunder and other permitted changes to the Master Resolution; and

WHEREAS, the Board reserved the right under the terms of the Master Resolution to issue obligations on a parity with the outstanding Parity Obligations; and

WHEREAS, the Board hereby determines that it is in the best interest of the participants in the Revenue Financing System to (i) refund certain of its previously issued and outstanding commercial paper notes (the "Refunded Commercial Paper Notes") in order to convert interim financing into long-term, fixed rate financing; (ii) refund all or certain of the outstanding debt obligations listed in <u>Schedule I</u> hereto (the "Refundable Bonds"), in order to achieve a present value savings to the Revenue Financing System; (iii) finance or refinance the cost of facilities and improvements for the participants in the Revenue Financing System, including but not limited to those improvements set forth in <u>Schedule II</u> hereto; and (iv) pay the costs of issuance relating to such Parity Obligations; and

WHEREAS, the bonds authorized to be issued by this Supplemental Resolution are to be issued and delivered pursuant to Chapter 55, Texas Education Code, Chapter 1207, Texas Government Code, Chapter 1371, Texas Government Code, and other applicable laws;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM THAT:

Section 1. DEFINITIONS. In addition to the definitions set forth in the preamble of this Sixteenth Supplement, the terms used in this Sixteenth Supplement (except in the FORM OF BONDS) and not otherwise defined shall have the meanings given in the Master Resolution or in **Exhibit "A"** to this Sixteenth Supplement attached hereto and made a part hereof.

Section 2. AUTHORIZATION, PURPOSE, AND AMOUNT OF THE BONDS.

Purpose; Designation; Maximum Amount. The "BOARD OF REGENTS OF (a) TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SIXTEENTH SERIES (2015A)" are hereby authorized to be issued in one or more series or subseries, taxable or tax-exempt, for the purpose of (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure for TTUS, (ii) refunding the Refunded Bonds, (iii) refunding the Refunded Commercial Paper Notes and (iv) paying the costs related thereto. The Bonds shall be designated by the year in which they are awarded pursuant to Section 3 below, and each series within a year may have a letter designation following the year as determined by the Pricing Committee. The title of the Bonds may also be revised by the Pricing Committee as reflected in the applicable Pricing Resolution pursuant to Section 3(b) hereof to reflect the sequential number of the series of Bonds being issued hereunder and the status of the Bonds as tax-exempt Bonds or taxable Bonds, as applicable. The combined principal amount of all Bonds issued pursuant to this Sixteenth Supplement shall not exceed \$400,000,000.

(b) *New Money Authorization*. The Bonds authorized for the purposes described in clause (i) of subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Section 55.13, and Chapter 1371. The Board Representative shall execute a certificate providing such documentation as may be required by the Public Finance Division of the Office of the Attorney General to (i) describe the specific projects for which the Bonds are being issued, and (ii) evidence the approval, if any, required to be obtained from the Texas Higher Education Coordinating Board for the projects to be financed with the proceeds of the Bonds. The projects that may be financed with the proceeds of the Bonds include those that are described in <u>Schedule II</u> to this Sixteenth Supplement.

(c) *Refunding Bonds Authorization*. The Bonds authorized for the purposes described in clause (ii) of subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Section 55.19 thereof, and Chapter 1207.

(d) *Refunding of Commercial Paper Notes.* The Bonds hereby authorized to be issued for the purposes of refunding the Refunded Commercial Paper Notes are being issued to convert interim financing into long-term fixed rate financing, as contemplated by the Board in the operation of the interim financing program as provided for in the Fifth Supplement, which constitutes a public purpose. The manner in which the refunding of the Refunded Commercial Paper Notes is being accomplished by the Board does not make it practicable to make the determinations required by Section 1207.008, Texas Government Code. The Refunded Commercial Paper Notes shall be those Outstanding Commercial Paper Notes designated by the Board Representative to be refunded and retired with a portion of the proceeds of the Bonds.

Section 3. TERMS OF BONDS; PRICING COMMITTEE; PARAMETERS.

(a) *Terms of Bonds.* Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, numbered consecutively from R-l upward, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in the denomination of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), maturing not later than August 15, 2045, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as determined in the manner provided below.

(b) **Delegation to Pricing Committee.** As authorized by Chapter 1371 and subject to the parameters set forth in Section 3(d) below, the Pricing Committee is hereby authorized, appointed and designated to act on behalf of the Board in selling and delivering, in one or more series or subseries, taxable or tax-exempt, the Bonds and carrying out the procedures specified in this Sixteenth Supplement, including determining:

(i) the date for issuance and sale, and the dated date, of each series of Bonds;

(ii) the selection of the specific maturities or series (whole or part) of the Refunded Bonds to be refunded;

(iii) the name and any special or additional series designation for the Bonds;

(iv) the principal amount of each series of Bonds to be sold (subject to the limitations set forth in Section 2.01(a)), as well as the principal amount of each stated maturity within a series of Bonds;

(v) the price at which the Bonds shall be sold;

(vi) the principal amortization schedule for the Bonds (including, without limitation, the designation of any of the maturities of the Bonds as term bonds and any amortization installments to be deposited to the applicable interest and sinking fund relating to any term bond so designated);

(vii) the redemption features of the Bonds;

(viii) the rate or rates of interest to be borne by the Bonds;

(ix) whether to acquire a municipal bond insurance policy in support of all or any portion of the Bonds; and

(x) any other matters relating to the issuance, sale and delivery of the Bonds; all of which shall be specified in one or more Pricing Resolutions adopted by the Pricing Committee.

(c) *Effect of Determination Made by Pricing Committee; Expiration of Delegation.* Any finding or determination made by the Pricing Committee, acting under the

authority granted by this Sixteenth Supplement, in adopting a Pricing Resolution shall have the same force and effect as if made by the Board. The authority hereby granted by the Board to the Pricing Committee shall expire if not exercised by the Pricing Committee within 365 days of the date of adoption of this Sixteenth Supplement.

(d) *Parameters for Pricing*. The Pricing Committee may exercise any authority granted under Chapter 1207 or Chapter 1371 to effect the issuance of the Bonds, so long as on the date that each applicable Bond Purchase Contract is executed:

(i) the aggregate net present value savings, calculated in accordance with GASB Statement No. 7, realized as a result of the refunding of the principal amount of the Refunded Bonds by the Bonds being issued at that time shall not be less than (x) two percent (2.00%) with respect to Bonds issued to currently refund all or a portion of the Refunded Bonds; and (y) three percent (3.00%) with respect to Bonds issued to advance refund all or a portion of the Refunded Bonds;

(ii) the maximum maturity of any series of Bonds issued hereunder shall not exceed December 31, 2045;

(iii) the price to be paid for the Bonds shall not be less than 95% of the aggregate principal amount thereof; and

(iv) none of the Bonds shall bear interest at a rate greater than 10% per annum.

(e) In General. The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS, with such changes and additions as are necessary to conform the FORM OF BONDS to the terms of the sale of the Bonds set forth in the Pricing Resolution. The final FORM OF BOND applicable to any issuance of Bonds shall be approved by the Pricing Committee and attached to the applicable Pricing Resolution.

Section 4. INTEREST. The Bonds shall bear interest calculated on the basis of a 360day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS to their respective dates of maturity at the rates approved by the Pricing Committee.

Section 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM.

(a) *Paying Agent/Registrar.* The Board Representative is directed to select, on behalf of the Board, the Paying Agent/Registrar for the Bonds. The Board Representative is authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds in substantially the form presented at this meeting.

(b) *Registration Books.* The Issuer shall keep or cause to be kept at the corporate trust office designated in the Paying Agent/Registrar Agreement (the "Designated Trust Office")

books or records for the registration of the transfer, exchange, and replacement of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Issuer and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books at the Designated Trust Office of the Paying Agent/Registrar during regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) *Ownership of Bonds.* The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Sixteenth Supplement, whether or not such Bond shall be overdue, and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) *Payment of Bonds and Interest.* The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Sixteenth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) Authentication. The Bonds initially issued and delivered pursuant to this Sixteenth Supplement shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate (the "Authentication Certificate") unless they have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Sixteenth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate. The Authentication Certificate shall be in the form set forth in the FORM OF BONDS.

(f) *Transfer, Exchange, or Replacement.* Each Bond issued and delivered pursuant to this Sixteenth Supplement, to the extent of the unpaid or unredeemed principal amount thereof, may, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute

Bond shall be of the same series and have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Sixteenth Supplement shall constitute one of the Bonds for all purposes of this Sixteenth Supplement, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Sixteenth Supplement, the Authentication Certificate shall be printed thereon. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in subsection (e) of this Section, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Issuer or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be in typed or printed form as determined by a Board Representative. Pursuant to Chapter 1206, Texas Government Code, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Sixteenth Supplement. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date, or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

Substitute Paying Agent/Registrar. The Issuer covenants with the registered (g) owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Sixteenth Supplement, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Sixteenth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Sixteenth Supplement, and a certified copy of this Sixteenth Supplement shall be delivered to each Paying Agent/Registrar.

(h) *Book-Entry Only System.* The Bonds issued in exchange for the Bonds initially issued and delivered to the Underwriters shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. A "Blanket DTC Letter of Representations" in connection with utilizing the DTC Book-Entry Only System has been executed by a Board Representative and filed with DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Without limiting the immediately preceding sentence, the Board and the Paying Bonds. Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Sixteenth Supplement to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each. Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of
giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Sixteenth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Sixteenth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Sixteenth Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Sixteenth Supplement shall refer to such new nominee of DTC.

Successor Securities Depository; Transfers Outside Book-Entry Only System. **(i)** In the event that the Board or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Board to DTC described in subsection (h) of this Section or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Sixteenth Supplement.

(j) *Payments to Cede & Co.* Notwithstanding any other provision of this Sixteenth Supplement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Board to DTC referred to in subsection (f) of this Section.

(k) Notice of Redemption. The Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities or such national information services shall be

sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

Each notice of redemption, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of maturity so called for redemption, the mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 6. FORM OF BONDS. The forms of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bonds initially issued and delivered to the Underwriters pursuant to this Sixteenth Supplement, shall be, respectively, substantially as set forth in <u>Exhibit B</u>, with such appropriate variations, omissions, or insertions as are permitted or required by this Sixteenth Supplement.

Section 7. ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS. By adoption of the Master Resolution, the Board has established the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of participants in the Revenue Financing System. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Revenue Financing System can be incurred. This Sixteenth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds which are Parity Obligations issued under the terms of the Master Resolution. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Resolution. Pursuant to Section 7(c) of the Master Resolution, the Board hereby designates HSC El Paso as a participant in the Revenue Financing System. As required by Section 5 (a) of the Master Resolution, the Board hereby determines, in connection with the issuance of the Bonds, that it will have sufficient funds to meet the financial obligations of each participant in the Revenue Financing System (currently TTU, the Health Sciences Center, ASU and HSC El Paso), including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System. Furthermore, the Board hereby determines that TTU, the Health Sciences Center, ASU and HSC El Paso each possess the financial capability to satisfy its respective Direct Obligation after taking into account the payment of the Annual Debt Service Requirements on the Bonds.

Section 8. SECURITY AND PAYMENTS. The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Sixteenth Supplement. The Pledged Revenues are hereby pledged, subject to

the liens securing the Prior Encumbered Obligations, if any, to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption.

Section 9. PAYMENTS TO PAYING AGENT/REGISTRAR. Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds, the Board shall make available to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) *Replacement Bonds.* In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same Series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) *Payment in Lieu of Replacement*. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) *Charge for Issuing Replacement Bonds.* Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to

all the benefits of this Sixteenth Supplement equally and proportionately with any and all other Bonds duly issued under this Sixteenth Supplement.

(e) Authority for Issuing Replacement Bonds. In accordance with Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without the necessity of further action by the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(f) hereof for Bonds issued in exchange and replacement for other Bonds.

Section 11. AMENDMENT OF SUPPLEMENT.

(a) *Amendments Without Consent.* This Sixteenth Supplement and the rights and obligations of the Board and of the owners of the Bonds may be modified or amended at any time without notice to or the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Sixteenth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Sixteenth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Sixteenth Supplement, upon receipt by the Board of an opinion of nationally-recognized bond counsel, that the same is needed for such purpose, and will more clearly express the intent of this Sixteenth Supplement;

(iii) To supplement the security for the Bonds, replace or provide additional credit facilities, or change the form of the Bonds or make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as are permitted by Section 19(d)(vi) of this Sixteenth Supplement;

(vi) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or (vii) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall, not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(b) Amendments With Consent. Subject to the other provisions of this Sixteenth Supplement, the owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Sixteenth Supplement which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Sixteenth Supplement or in the Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Bonds;

(iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;

(v) Affect the rights of the owners of less than all Bonds then Outstanding; or

(vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) *Notice*. If at any time the Board shall desire to amend this Sixteenth Supplement other than pursuant to subsection (a) of this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

(d) *Receipt of Consents*. Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least a majority in Outstanding Principal Amount of Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the

form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(e) *Effect of Amendments*. Upon the adoption by the Board of any resolution to amend this Sixteenth Supplement pursuant to the provisions of this Section, this Sixteenth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the Master Resolution and this Sixteenth Supplement, as amended.

(f) *Consent Irrevocable*. Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar and the Board, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount of Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) *Ownership*. For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the registration books kept by the Registrar therefor. The Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Registrar.

Section 12. DEFEASANCE. That in accordance with the provisions of Section 1207.033, Texas Government Code, the Board may call for redemption, at a date earlier than their scheduled maturities, those Bonds which have been defeased to their maturity date. Notwithstanding any other provision of this Sixteenth Supplement to the contrary, it is hereby provided that any determination not to redeem Bonds defeased under the terms of this Sixteenth Supplement that is made in conjunction with the payment arrangements specified in the Master Resolution shall not be irrevocable, provided that, in the proceedings providing for such payment arrangements, the Board (1) expressly reserves the right to call Bonds so defeased for redemption; (2) gives notice of the reservation of that right to the owners of the Bonds so defeased immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

Section 13. SIXTEENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Sixteenth Supplement shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the pledge made in this Sixteenth Supplement by the Board and the covenants and agreements set forth in this Sixteenth Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Sixteenth Supplement.

Section 14. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 15. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Sixteenth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 16. LIMITATION OF BENEFITS WITH RESPECT TO THE SIXTEENTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Sixteenth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Sixteenth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Sixteenth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 17. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE.

(a) *Submission of Proceedings to Attorney General.* The Board Representative is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas of the proceedings authorizing the Bonds in accordance with Chapter 1371. The Board Representative is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds in accordance with the provisions of Chapter 1202, Texas Government Code, in which case the Board Representative also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The Board hereby authorizes the payment of the fee of the Attorney General for the examination of the proceedings relating to the issuance of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code. The approving legal opinion of bond counsel and the assigned CUSIP

numbers may, at the option of the Issuer, be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to the Sixteenth Supplement is hereby adopted and made a part of this Sixteenth Supplement for all purposes.

Bond Insurance. If authorized in a Pricing Resolution, the purchase of a **(b)** municipal bond insurance policy from a municipal bond insurance provider that has an underlying rating of "AA" (or its equivalent) or better at the time a Bond Purchase Contract is executed (the "Bond Insurer") as additional security for all or part of a series of Bonds is hereby authorized. The printing of a legend describing the municipal bond insurance policy issued by the Bond Insurer is hereby authorized. The payment of the premium to the Bond Insurer in consideration for the issuance of said policy, should one be so obtained, is hereby approved. The Insurance Commitment issued by the Bond Insurer shall be made a part hereof for all purposes. In addition, it is agreed that should such policy be obtained, the Board will comply with the conditions applicable to the Bonds, as set forth in the Insurance Commitment issued by the Bond Insurer, as if such conditions were incorporated in this Sixteenth Supplement, and will pay to the Paying Agent/Registrar for the Bonds the debt service due on the Bonds so insured by the Bond Insurer not later than one Business Day prior to each principal or interest payment date of the Bonds. In the event such policy is obtained, the Board Representative is hereby instructed to provide notice to the Bond Insurer in the event such payment is not made to the Paying Agent/Registrar on or before the Business Day before the scheduled principal or interest payment date; failure to make such payment to the Paying Agent/Registrar on or before the Business Day before the scheduled principal or interest payment date shall not constitute a default under the terms of this Sixteenth Supplement.

Section 18. OFFICIAL STATEMENT. Prior to execution of a Bond Purchase Contract, a Board Representative, acting for and on behalf of the Board, shall cause a preliminary Official Statement to be prepared for distribution by the Underwriters to prospective purchasers of the Bonds sold under the terms of such Purchase Contact, such document to be in substantially the form utilized in connection with the sale of Parity Obligations previously issued by the Board, with such changes and completions as the Board Representative may deem necessary or appropriate to enable the Board Representative, acting for and on behalf of the Board, to deem the preliminary Official Statement to be final as of its date, except for such omissions as are permitted by the Rule. The use of such deemed final Official Statement in the offer and sale of the Bonds is hereby approved. Within seven (7) business days after the execution of a Bond Purchase Contact, the Board Representative, acting for and on behalf of the Board, shall cause a final Official Statement to be provided to the Underwriters in compliance with the Rule and the rules of the MSRB.

Section 19. CONTINUING DISCLOSURE OBLIGATION.

(a) *Annual Reports.* (i) The Board shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2015, financial information and operating data with respect to the Board of the general type included in the final Official Statement approved by Section 18 hereof, being the information described in <u>Exhibit C</u> hereto, and (2) if not provided as part such financial information and operating data, audited financial

statements of the Board, when and if available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in **Exhibit C** hereto, or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation, and audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the Board will provide unaudited financial information of the type included in the Official Statement by the required time and audited financial statements when and if such audited financial statements become available. If audited financial statements are not prepared for any Fiscal Year and audited financial statements are prepared with respect to the State of Texas for such Fiscal Year, the Board shall provide, or cause to be provided, the audited financial statements of the State of Texas for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounted principles for state governments, as such principles may be changed from time to time to comply with state law.

(ii) If the Board changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

(iii) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(b) *Notice of Certain Events*. The Board shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- 1. Principal and interest payment delinquencies;
- 2. Non-payment related defaults, if material;
- 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
- 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
- 5. Substitution of credit or liquidity providers, or their failure to perform;
- 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- 7. Modifications to rights of holders of the Bonds, if material;
- 8. Bond calls, if material, and tender offers;
- 9. Defeasances;

- 10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
- 11. Rating changes;
- 12. Bankruptcy, insolvency, receivership, or similar event of the Board, which shall occur as described below;
- 13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- 14. Appointment of a successor or additional Paying Agent/Registrar or the change of name of a Paying Agent/Registrar, if material.

For these purposes, any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with this Section by the time required by this Section.

As used in this Section, the term "obligated person" shall mean any person, including the Board, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

(c) *Filings with the MSRB*. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(d) *Limitations, Disclaimers, and Amendments.* (i) The Board shall be obligated to observe and perform the covenants specified in this Section with respect to the Board and the Bonds while, but only while, the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give notice required by subsection (b) hereof of any Bond calls and defeasance that cause the Board to be no longer such an "obligated person".

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Board or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

(iv) No default by the Board in observing or performing its obligations under this Section shall constitute a breach of or default under this Sixteenth Supplement for purposes of any other provision of this Sixteenth Supplement.

(v) Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

(vi) Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Board from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Board (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the registered owners and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Board if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Board's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in

such offering. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 20. FEDERAL TAX COVENANTS. With respect to any Bonds issued hereunder as Tax-Exempt Bonds, the Board covenants to take any action to assure, or refrain from any action which would adversely affect, the treatment of the Tax-Exempt Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Board covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Tax-Exempt Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141 (b)(6) of the Code or, if lesser, \$15,000,000; and if more than such amount of the proceeds are so used, that amounts or revenues, whether or not received by the Board, allocable to such property, do not, under the terms of this Sixteenth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Tax-Exempt Bonds, or if lesser, \$15,000,000 in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Tax-Exempt Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Tax-Exempt Bonds (less-amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Tax-Exempt Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Tax-Exempt Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Tax-Exempt Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Tax-Exempt Bonds, other than investment property acquired with --

(1) proceeds of the Tax-Exempt Bonds invested for a reasonable temporary period of three years or, in the case of a current refunding, of 90 days or less or, in the case of an advance refunding, of 30 days or less, until such proceeds are needed for the purpose for which the bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Tax-Exempt Bonds;

(g) to otherwise restrict the use of the proceeds of the Tax-Exempt Bonds or amounts treated as proceeds of the Tax-Exempt Bonds, as may be necessary, so that the Tax-Exempt Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Tax-Exempt Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Tax-Exempt Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Tax-Exempt Bonds. It is the understanding of the Board that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Tax-Exempt Bonds, the Board will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Tax-Exempt Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Tax-Exempt Bonds, the Board agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve; the exemption from federal income taxation of interest on the Tax-Exempt Bonds under section 103 of the Code. In furtherance of the foregoing, any Board Representative may execute any certificates or other reports required by the Code and to make such elections, on behalf of the Board, which may be permitted by the Code as are consistent with the purpose for the issuance of the Tax-Exempt Bonds.

In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the Board for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Tax-Exempt Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 21. ADDITIONAL TAX COVENANTS REGARDING USE OF PROPERTY.

(a) Allocation of, and Limitation on, Expenditures for the Project. The Board covenants to account for the expenditure of proceeds from the sale of the Tax-Exempt Bonds and any investment earnings thereon to be used for the projects described in the certificate executed by the Board Representative in accordance with the provisions of Section 2(b) hereof (each such project referred to herein and subsection (b) of this Section 21 as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the Board shall not expend such proceeds or investment earnings more than 60 days after the later of (a) the fifth anniversary of the date of delivery of the Tax-Exempt Bonds or (b) the date the Tax-Exempt Bonds are retired, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Tax-Exempt Bonds.

(b) *Disposition of Project*. The Board covenants that the property constituting a Project will not be sold, or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Tax-Exempt Bonds. For purposes of this subsection, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the Board shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 22. SALE OF BONDS.

(a) Underwriters. The Board Representative is directed to select, on behalf of the Board, the senior managing underwriter and the other Underwriters for each series of Bonds to be issued hereunder to assure that the Bonds are sold on the most advantageous terms to the Board. Subject to approval of the Pricing Committee pursuant to Section 3 hereof, the Board Representative is directed to negotiate with the Underwriters all matters relating to the sale of the Bonds, including determining and fixing the date of the Bonds, the number of series, any additional designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, and the aggregate principal amount of the Bonds or any series thereof, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the

option of the Board, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of each series of Bonds, including, without limitation, the possible use of municipal bond insurance for any series of Bonds and the use or uses of premium, if any, received as a part of the purchase price for Bonds.

(b) *Bond Purchase Contract.* The Bond Purchase Contract shall be in substantially the form utilized in connection with the sale of Bonds previously issued by the Board for comparable purposes. A Bond Purchase Contract shall contain the terms of the sale of the Bonds, as negotiated by the Board Representative in accordance with the terms hereof. The actual sale of each series of Bonds, and the applicable Bond Purchase Contract setting forth the terms of such sale shall be approved by a Pricing Resolution. The Board Representative is hereby authorized and directed to sign each Bond Purchase Contract in the final form approved by the Pricing Committee. The Pricing Committee's approval of a Bond Purchase Contract shall be conclusively evidenced by the execution thereof by a Board Representative.

(c) *Ratings.* No Bonds shall be delivered unless prior to delivery, the particular series or subseries of Bonds shall have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371.

(d) *Payment of Attorney General Fee; Bond Review Board Approval.* The Board hereby authorizes the payment of the fee of the Attorney General for the examination of the proceedings relating to the issuance of one or more series of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code. To the extent required by applicable State law, the Bonds shall be approved by the Texas Bond Review Board prior to issuance.

(e) *Effect of Determination Made by Board Representative*. A finding or determination made by a Board Representative acting under the authority delegated thereto by this Sixteenth Supplement with respect to all matters relating to the issuance and sale of the Bonds shall have the same force and effect as if made by the Board.

Section 23. REFUNDING.

(a) *Refunded Bonds.* The principal amount of Bonds, if any, issued to refund all or portion of the Refundable Bonds, and the Refunded Bonds to be refunded, shall be specifically identified in a Pricing Resolution. The Pricing Committee, acting for and on behalf of the Board, may elect not to refund any or all of the Refundable Bonds. In the event Bonds are to be sold for the purpose of refunding all or a portion of the Refundable Bonds, then on or before the date of delivery of the Bonds, the Board Representative shall execute and deliver a certificate stating that the minimum amount of net present value savings resulting from the refunding of the Refunded Bonds herein established has been met or exceeded.

(b) *Refunded Commercial Paper Notes*. The principal amount of Bonds, if any, issued to refund Refunded Commercial Paper Notes shall be specifically identified in a Pricing Resolution. Concurrently with the delivery of the Bonds, proceeds in the amount of the principal amount of the Refunded Commercial Paper Notes that are to be refunded with a portion of the

proceeds from the sale of the Bonds shall be deposited to the credit of the "Note Payment Fund", established in accordance with the provisions of the Fifth Supplement, to refund those Refunded Commercial Paper Notes designated by the Board Representative to be refunded and retired with a portion of the proceeds of the Bonds.

Section 24. REDEMPTION OF REFUNDED BONDS. The Board Representative is hereby authorized to take such actions, consistent with the resolutions authorizing the issuance of the Refunded Bonds, that may be required to redeem prior to their scheduled maturities any of the Refunded Bonds. Upon the execution of the Bond Purchase Contract, the Board Representative may implement, on behalf of the Board, the redemption of any of the Refunded Bonds so designated in the Bond Purchase Contract, and that the redemption date for any of the Refunded Bonds shall be the first available call date provided for in the proceedings authorizing the issuance of any such Refunded Bonds.

Section 25. ESCROW AGREEMENT. The Board shall cause to be deposited with the Escrow Agent (as named in the hereinafter described Escrow Agreement) or directly with the paying agent for the Refunded Bonds, from the proceeds received from the sale of any series of Bonds and other available moneys of the Board, an amount sufficient to provide for the refunding of the Refunded Bonds in accordance with Chapter 1207, to the extent Bonds are sold for such purpose. If required to establish firm banking arrangements with respect to the Refunded Bonds, the Board Representative is hereby authorized, for and on behalf of the Board, to execute and deliver one or more Escrow Agreements or deposit agreements with respect to the refunding of the Refunded Bonds, in the form approved by the Pricing Committee, with such changes as the Board Representative deems necessary to effect the sale of the Bonds to the Underwriters.

Section 26. FURTHER PROCEDURES. The Board Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Sixteenth Supplement, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Bonds. In case any officer whose signature shall appear on the Bonds or any documents authorized in this Sixteenth Supplement shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 27. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions (other than the Master Resolution), including any resolutions specifying other sources of funding for the projects listed on <u>Schedule II</u>, which are in conflict or inconsistent with this Sixteenth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 28. RULES OF CONSTRUCTION. For all purposes of this Sixteenth Supplement, unless the context requires otherwise, all references to designated Sections and

other subdivisions are to the Sections and other subdivisions of this Sixteenth Supplement. The words "herein", "hereof and "hereunder" and other words of similar import refer to this Sixteenth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Sixteenth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Sixteenth Supplement is adopted by the Board and any future amendments thereto or successor provisions thereof. Any reference to the payment of principal in this Sixteenth Supplement shall be deemed to include the payment of mandatory sinking fund redemption payments. Any reference to "FORM OF BOND" shall refer to the form of the Bonds set forth in **Exhibit B** to this Sixteenth Supplement, as finalized in the applicable Pricing Resolution.

Section 29. PUBLIC NOTICE. It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Sixteenth Supplement was adopted; that this Sixteenth Supplement would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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SCHEDULE I

LIST OF REFUNDABLE BONDS

Any outstanding maturities of the following obligations:

TTUS Revenue Financing System Refunding & Improvement Bonds, Ninth Series 2003

Original	Original	Original	Principal	Proposed Call
Dated Date	Maturity	Principal	Outstanding	Date*
9/1/2003	2/15/2023	97,265,000	270,000	4/12/2015

*The 2015-2023 maturities may be redeemed prior to stated maturity on August 15, 2013 or any date thereafter at par plus accrued interest. The proposed call date may be subject to change.

TTUS Refunding and Improvement Bonds, Tenth Series (2006)

Original	Original	Original	Principal	Proposed Call
Dated Date	Maturity	Principal	Outstanding	Date*
2/1/2006	2/15/2031	220,915,000	179,135,000	2/15/2016

*The 2017–2029 and 2031 maturities may be redeemed prior to stated maturity on February 15, 2016 or any date thereafter at par plus accrued interest.

TTUS Revenue Financing System Refunding And Improvement Bonds, Twelfth Series (2009)

Original	Original	Original	Principal	Proposed Call
Dated Date	Maturity	Principal	Outstanding	Date*
2/1/2009	2/15/2038	170,640,000	111,585,000	2/15/2020

*The 2020-2028, 2033, and 2038 maturities may be redeemed prior to stated maturity on February 15, 2019 or any date thereafter at par plus accrued interest.

SCHEDULE II

ELIGIBLE PROJECTS

The acquisition, purchase, construction, improvement, renovation, enlargement and/or equipping of property, buildings, structures, facilities, roads and related infrastructure of TTUS including the following facilities:

- 1. West Village Housing Improvements;
- 2. Research & Technology Park Improvements;
- 3. Gayle Greve Hunt School of Nursing Building Improvements;
- 4. COBA Wing Addition;
- 5. Athletics Technology Improvements;
- 6. Jones Stadium North Colonnade Expansion;
- 7. United Supermarkets Arena Renovations;
- 8. Bayer CropScience Building Renovations;
- 9. Bayer CropScience TRIAD Facility Improvements;
- 10. Research II (ESB II);
- 11. Engineering Building (Renovations to Mass Communications Building);
- 12. New PSS Building and Renovations;
- 13. Stangel/Murdough Kitchen Renovations;
- 14. Burkhart Center for Autism Education & Research Hospitality Food Area;
- 15. Burkhart Center for Autism Education & Research; and
- 16. Other capital projects throughout the TTUS.

EXHIBIT A

DEFINITIONS

As used in this Sixteenth Supplement the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "*Acts*" shall mean, collectively, Chapter 55, Texas Education Code, Chapter 1207 and Chapter 1371.

The term "ASU" shall mean Angelo State University, a component institution of TTUS.

The term "*Authorized Denominations*" shall mean Authorized Denominations as defined in Section 2 of this Sixteenth Supplement.

The term "*Board Representative*" shall mean the Chancellor of TTUS or the Chief Financial Officer, or such other official of TTUS specifically appointed by the Board as a "Board Representative" to carry out the functions specified herein, each acting independently and not jointly.

The term "Bond Purchase Contract" shall mean any bond purchase agreement, between the Board and the Underwriters pertaining to the purchase of any series of Bonds by the Underwriters.

The term "*Bonds*" shall mean each series of Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Sixteenth Supplement; and the term "Bond" means any of the Bonds.

The term "*Business Day*" shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term "Chapter 1207" shall mean Chapter 1207, Texas Government Code.

The term "Chapter 1371" shall mean Chapter 1371, Texas Government Code.

The term "*Chief Financial Officer*" shall mean the Chief Financial Officer of TTUS so appointed by the Board or by the Chancellor of TTUS.

The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

The term "*Commercial Paper Notes*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Commercial Paper Notes, Series A, issued pursuant to the provisions of the Master Resolution and the Fifth Supplement.

The term "*Designated Trust Office*" shall have the meaning ascribed to said term in Section 5(b) of this Sixteenth Supplement.

The term "*DTC*" shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term "*DTC Participant*" shall mean securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term "*Eleventh Supplement*" shall mean the Eleventh Supplemental Resolution adopted by the Board on October 11, 2007, designating ASU as a Participant in the Financing System.

The term "*Escrow Agent*" shall mean the banking institution named in the Escrow Agreement and chosen in a manner consistent with the legal requirements set forth in Chapter 1207.

The term "*Escrow Agreement*" shall mean one or more escrow agreements between the Board and the Escrow Agent, dated as of date of the Bond Purchase Contract, and executed for the benefit of the owners and holders of the Refunded Bonds.

The term "*Fifteenth Series Bonds*" shall mean the Board of Regents of Texas Tech University System Revenue Financing System Refunding Bonds, Fifteenth Series (Taxable 2012B) authorized by the Fifteenth Supplement.

The term "*Fifteenth Supplement*" shall mean the Fifteenth Supplemental Resolution adopted by the Board on December 16, 2011, authorizing the Fifteenth Series Bonds.

The term *"Fifth Supplement"* shall mean the amended and restated fifth supplemental resolution adopted by the Board on August 8, 2008, authorizing the Commercial Paper Notes.

The term "*Fourteenth Series Bonds*" shall mean the Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Fourteenth Series (2012A) authorized by the Fourteenth Supplement.

The term "*Fourteenth Supplement*" shall mean the Fourteenth Supplemental Resolution adopted by the Board on December 16, 2011, authorizing the Fourteenth Series Bonds.

The term "*Health Sciences Center*" shall mean the Texas Tech University Health Sciences Center, a component institution of TTUS.

The term "*HSC El Paso*" shall mean the Texas Tech University Health Sciences Center at El Paso, a component institution of TTUS.

The term "*Issuance Date*" shall mean the date of delivery the Bonds to the Underwriters against payment therefor.

The term "MAC" shall mean the Municipal Advisory Council of Texas.

The term "*Master Resolution*" shall mean the Master Resolution Establishing The Revenue Financing System under the Authority and Responsibility of the Board of Regents of Texas Tech University, adopted by the Board on October 21, 1993, as amended on November 8, 1996 and on August 22, 1997.

The term "*Maturity*" shall mean the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration, or otherwise.

The term "MSRB" shall mean the Municipal Securities Rulemaking Board.

The term "*Ninth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Ninth Series (2003) authorized by the Ninth Supplement.

The term "*Ninth Supplement*" shall mean the Ninth Supplemental Resolution adopted by the Board on August 8, 2003, authorizing the sale of the Ninth Series Bonds.

The term "*Parity Obligations*" shall mean the outstanding parity revenue obligations issued by the Board in accordance with the terms of the Master Resolution and secured by the Revenue Financing System, namely as of the date of this Sixteenth Supplement, the Commercial Paper Notes, the Ninth Series Bonds, the Tenth Series Bonds, the Twelfth Series Bonds, the Thirteenth Series Note, the Fourteenth Series Bonds, the Fifteenth Series Bonds and, when delivered, the Bonds authorized to be issued hereunder in one or more series.

The terms "*Paying Agent/Registrar*", "*Paying Agent*" or "*Registrar*" shall mean the agent appointed pursuant to Section 5 of this Sixteenth Supplement, or any successor to such agent.

The term "*Pricing Committee*" shall mean the Chancellor, the Chief Financial Officer, John D. Steinmetz, L. Frederick Francis and John Walker.

The term "*Pricing Resolution*" shall mean one or more resolutions adopted by the Pricing Committee in accordance with Section 3(b) of this Sixteenth Supplement.

The term "*Record Date*" shall mean, with respect to the Bonds, the last business day of each month preceding an interest payment date.

The term *"Refundable Bonds"* shall mean those debt obligations identified in <u>Schedule I</u> to this Sixteenth Supplement.

The term *"Refunded Bonds"* shall mean those Refundable Bonds identified in a Pricing Resolution to be refunded with proceeds from the sale of one or more series of the Bonds.

The term "*Refunded Commercial Paper Notes*" shall mean those Commercial Paper Notes refunded by an issuance of one or more series of Bonds issued hereunder, as identified in a certificate of the Chief Financial Officer executed pursuant to the terms of this Sixteenth Supplement.

The term "*Registration Books*" shall mean the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Sixteenth Supplement.

The term "*Regulations*" shall mean all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

The term *"Revenue Financing System"* shall mean the revenue financing system of TTUS as established by the Board pursuant to the Master Resolution.

The term "Rule" shall mean SEC Rule 15c2-12, as amended from time to time.

The term "SEC" shall mean the United States Securities and Exchange Commission.

The term "Sixteenth Supplement" shall mean this Sixteenth Supplemental Resolution adopted by the Board on December 12, 2014, authorizing the sale of the Bonds.

The term "*Tax-Exempt Bonds*" shall mean the Bonds issued hereunder as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation

The term "*Tenth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Tenth Series (2006) authorized by the Tenth Supplement.

The term "*Tenth Supplement*" shall mean the Tenth Supplemental Resolution adopted by the Board on December 16, 2005, authorizing the sale of the Tenth Series Bonds.

The term "*Thirteenth Series Note*" shall mean the note, in one or more designated series, as authorized by the Thirteenth Supplement.

The term "*Thirteenth Supplement*" shall mean the Thirteenth Supplemental Resolution adopted by the Board on September 12, 2008, authorizing the sale of the Thirteenth Series Note.

The term "TTU" shall mean Texas Tech University, a component institution of TTUS.

The term "*TTUS*" shall mean the Texas Tech University System, under the governance of the Board.

The term "*Twelfth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Twelfth Series (2008) authorized by the Twelfth Supplement.

The term "*Twelfth Supplement*" shall mean the Twelfth Supplemental Resolution adopted by the Board on August 8, 2008, authorizing the sale of the Twelfth Series Bonds.

The term "*Underwriters*" shall mean those investment banking firms designated by the Board Representative in accordance with Section 22(a) hereof to purchase one or more series of Bonds pursuant to a Bond Purchase Contract.

All terms not herein defined shall have the meanings given to said terms by the Master Resolution or as otherwise defined in this Sixteenth Supplement.

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EXHIBIT B

FORM OF BONDS

UNITED STATES OF AMERICA STATE OF TEXAS BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BOND, ________SERIES (201___)

NO. R			PRINCIPAL AMOUNT \$
INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
%	, 20	, 20	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM (the "Issuer"), being an agency and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Bond Date, specified above, to the Maturity Date, specified above, or the date of redemption prior to maturity, at the interest rate per annum, specified above; with interest being payable on ______ 15, 20____, and semiannually on each February 15 and August 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Issuer required by the resolution authorizing the issuance of the Bonds to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, initially at the corporate trust

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office in ______, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Trust Office") of ______, which is the "Paying Agent/Registrar" for this Bond. The

payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of not less than \$1,000,000 in principal amount of Bonds provided to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such Bonds on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method, as shall be acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Issuer and the securities depository. Terms used herein and not otherwise defined have the meaning given in the Bond Resolution (hereinafter defined).

THIS BOND is one of a series of bonds authorized in the aggregate principal amount of \$_______ pursuant to a Sixteenth Supplemental Resolution to the Master Resolution adopted December 12, 2014, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution") FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR TTUS, (ii) REFUNDING THE REFUNDED BONDS, (iii) REFUNDING THE REFUNDED COMMERCIAL PAPER NOTES AND (iv) PAYING THE COSTS RELATED THERETO.

ON February 15, 20_____, or on any date thereafter, the Bonds of this series scheduled to mature on and after February 15, 20_____ may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portion thereof), to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the par value thereof and accrued-interest to the date fixed for redemption; provided that during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be

redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

BONDS MATURING February 15, 20____ are "Term Bonds" and are subject to mandatory redemption at a price equal to the principal amount to be so redeemed and accrued and unpaid interest to the date of redemption, to-wit:

Said Bonds shall be redeemed in part by lot prior to maturity on February 15, 20____, in the amounts designated below, to-wit:

Years Amounts

* Maturity

THE ISSUER shall redeem Term Bonds by lot, or purchase in the open market Bonds of the same maturity. The Board shall effect the retirement of the Term Bonds required to be retired by mandatory redemption, by either redemption in accordance herewith or prior purchase for cancellation in the open market at a price not exceeding the redemption price. To the extent that Term Bonds have been previously purchased for cancellation or redeemed other than pursuant to a sinking fund redemption payment, each sinking fund payment amount for such Term Bonds shall be reduced, to the extent practicable, by the amount obtained by multiplying the principal amount of such Term Bonds so purchased or redeemed by the ratio which each remaining sinking fund payment amount of such maturity bears to the total remaining sinking fund payment amount of such maturity and by rounding each such sinking fund payment amount to the nearest \$5,000 integral multiple. On the maturity date of any Term Bonds, the Board shall effect the payment of the principal of maturing Term Bonds. The foregoing notwithstanding, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, the particular Bonds to be so redeemed shall be selected in accordance with the arrangements between the Board and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out

of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, payable in the same manner, in any authorized denomination at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in The City of New York, New York, or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY AUTHORIZED DENOMINATION may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's fees and charges, if any, for making such transfer or exchange as provided below, but the one requesting such transfer or exchange shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration or exchange of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the

registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Series of Bonds of which this Bond is one constitute Parity Obligations under the Bond Resolution,; and that the interest on and principal of this Bond, together with the other Bonds of this Series and the other outstanding Parity Obligations are equally and ratably secured by and payable from a lien on and pledge of the Pledged Revenues, subject only to the provisions of, and the lien on and pledge of certain Pledged Revenues to, any outstanding Prior Encumbered Obligations.

THE ISSUER has reserved the right, subject to the restrictions referred to in the Bond Resolution, (i) to issue additional Parity Obligations which also may be secured by and made payable from a lien on and pledge of the aforesaid Pledged Revenues, in the same manner and to the same extent as this Bond, and (ii) to amend the provisions of the Bond Resolution under the conditions provided in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chair or Vice Chair of the Issuer and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary/Assistant Secretary Board of Regents of Texas Tech University System Chair/Vice Chair Board of Regents of Texas Tech University System

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

Paying Agent/Registrar

FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS TO ACCOMPANY THE BONDS UPON INITIAL DELIVERY

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond and the proceedings authorizing its issuance have been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this ______.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

/ _____/

(Assignee's Social Security or Taxpayer Identification Number)

(print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints

attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated:_____

Signature Guaranteed:

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company. NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond, company.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION OF THE BOARD

The following information is referred to in Section 19 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are the quantitative financial information and operating data pertaining to the Board included in the Official Statement under the caption "DEBT SERVICE REQUIREMENTS", the subcaptions to the caption "TEXAS TECH UNIVERSITY SYSTEM" in Appendix A to the Official Statement entitled "- General Description -Enrollment","- Admissions and Matriculation", "- Financial Management" and "- Selected Financial Information" and in Appendix B to the Official Statement entitled "TEXAS TECH UNIVERSITY SYSTEM CONSOLIDATED ANNUAL FINANCIAL REPORT".

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state law or regulation.

ATTACHMENT

TTUHSC School of Pharmacy Pharmacy Income Plan Bylaws with proposed amendments

SCHOOL OF PHARMACY TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

PHARMACY INCOME PLAN BYLAWS

1 PIP Bylaws - original 06/09/95 – Approved by TTUS Board of Regeants PIP Bylaws - amended 05/11/01 – Approved by TTUS Board of Regeants PIP Bylaws - amended 10/28/2014 – Pending approval by Board of Regents
SCHOOL OF PHARMACY

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

PHARMACY INCOME PLAN

BYLAWS

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The Bylaws, and all amendments thereto, of the Texas Tech University Health Sciences Center School of Pharmacy Income Plan ("PIP", the "Plan") are hereby superseded by the amended Bylaws as follows:

ARTICLE I

PURPOSE

The Texas Tech University Health Sciences Center School of Pharmacy (the School) has created a separate fiscal plan for the purpose of managing the professional income of its members. This plan shall be named the Pharmacy Income Plan ("PIP", or the "Plan") and <u>a</u>dministered pursuant to the Bylaws set forth in this document <u>and Exhibit A, attached</u> <u>hereto and incorporated by reference herein.</u>

ARTICLE II 2.0 DEFINITIONS

2.1_GLOSSARY	
<u>PIP or Plan</u>	Pharmacy Income Plan ("Plan").
Augmentation	Compensation in addition to Base Salary.
Base Salary	The Base Salary specified in an annual contract between the faculty member and Texas Tech University Health Sciences Center
Business Operations Trust Fund	The Business Operations Trust Fund will be the initial depository account for the receipt and disbursement of all Professional Income.
<u>Course and Scope of Employment of TTUHSC</u>	All activities commensurate with one's designated position; assigned activities are based on the percent time of employment, are determined by the needs of each department, and may vary from semester to semester.
Dean	Dean of the School of Pharmacy of Texas Tech University Health Sciences Center
<u>Full-time Faculty</u>	School of Pharmacy faculty fully engaged in teaching, scholarship, and/or practice as a full-time employee who works 75-100% FTE as per HSC OP 70.05.
Incentive Compensation	Discretionary payment made only upon recommendation of the Department Chair and Dean and approved by the TTUHSC President.
<u>Institutional Program FundInstitutional</u> Development Fund Manager of Plan	<u>Funds used to support the programs of TTUHSC.</u> <u>The fiscal manager of PIP Assistant Dean of Finance</u> <u>and Administration.</u>

PIP Bylaws - original 06/09/95 – Approved by TTUS Board of Regeants PIP Bylaws - amended 05/11/01 – Approved by TTUS Board of Regeants PIP Bylaws - amended 10/28/2014 – Pending approval by Board of Regents

<u>Memorandum of Appointment</u>	Notice provided to non-tenure faculty members annually prior to September 1. TTUHSC OP 60.08.
<u>Net Plan Income</u>	The sum remaining from gross income after deductions for payments to the Business Operations Trust Fund and the Institutional Program FundInstitutional Development Fund ("IPDF").
Professional Income	Income earned from patient-care related, consultative and direct care services, etc., by the faculty member who participates in the Plan.
School	School of Pharmacy of Texas Tech University Health Sciences Center.
<u>SPEC</u>	School of Pharmacy Executive Committee.
TTUHSC School of Pharmacy campuses	TTUHSC campuses at Amarillo, Abilene, Lubbock or the DFW Metroplex
TTUHSC President	President of the Texas Tech University Health Sciences Center, or designee

2.2 PLAN COMPOSITION:

The Pharmacy Income Plan shall consist of:

- 2.2.1 Business Operations Trust Fund for the Center, which will be the initial depository account for the receipt and disbursement of all professional fee income.
- 2.2.2 An Institutional Program FundInstitutional Development Fund, which will be utilized to support the programs of TTUHSCthe SchoolCenter.
- 2.2.3 A School Development Fund, which will be utilized to support the developmental programs of the School.
- 2.2.4 A School Program Fund, which will be utilized to support the programs of the School.
- 2.2.5 A Member's Account, which will be expended at the discretion of the individual faculty member according to the rules of the PIP.

2.3 TOTAL COMPENSATION TO PIP MEMBERS:

Total Compensation shall be comprised of the following:

2.3.1 State-appropriated education and general budget funds, contract and grant funds, gift funds, PIP Member's Account, or other funds designated for salaries by the Board of Regents, as paid to faculty members by the School and reported to the Internal Revenue Service.

2.3.2 Augmentation

- PIP Bylaws amended 05/11/01 Approved by TTUS Board of Regeants
- PIP Bylaws amended 10/28/2014 Pending approval by Board of Regents

- 2.3.2 Augmentation, <u>shallwhich shall</u> be defined as that part of Total Compensation, paid from PIP funds or from other –sources authorized by the Board of Regents, which is paid to a member pursuant to the Plan that is outside of the amount listed in the annual Memorandum of Appointment.
- 2.3.3 Member's Augmentation shall be expended at the member's discretion from available member funds in the <u>M</u>member's account and with appropriate <u>TTUHSCUniversity</u> approvals.
- 2.3.4 Incentive Compensation is discretionary and may only be paid upon the <u>written</u> recommendation of the departmental Chair and the Dean and <u>with the approval of the TTUHSC</u> President.

ARTICLE III

2.03.0 ORGANIZATION OF THE MEMBERSHIP

2.1.3.1. MEMBERSHIP

- 2.1.1.3.1.1. Membership in the Plan shall be required of each faculty member whose appointment at the Health Sciences Center and affiliate institution(s) totals fifty percent (50%) time or greater and who, as a licensed pharmacist, generates income related to patient care. Exceptions to the above may be made only upon written recommendation to the PIP Policy Committee, and the subsequent approval of the Dean and <u>TTUHSC</u> President.
- 2.1.2.<u>3.1.2.</u> Members of the Plan shall be eligible to participate in its deliberations and to vote upon matters of business and shall be eligible for election to offices and for appointment to committees.
- <u>2.1.3.</u> A member leaving the faculty terminates membership in the Plan without further rights, privileges, entitlements, or recourse.

2.2.3.2. MEETINGS OF THE GENERAL MEMBERSHIP

- 3.2.1 The membership shall meet in general session at an annual meeting in the third quarter of the fiscal year at a location designated by the PIP PresidentChair. Notice of the annual meeting, an agenda, and an annual report developed by the PIP PresidentChair, upon consultation with the Dean shall be made available, upon written request, to each member at least three weeks before the meeting. The annual meeting shall be held simultaneously at all <u>TTUHSC School of Pharmacy campuses the centersof the regional campuses</u> by means of interactive telecommunications.
- 3.2.2 Procedures of the annual meeting:
 - 3.2.2.1 Appropriate communications will be provided so that each member is afforded an opportunity to speak and to hear the conduct of the business.
 - 3.2.2.2 The conduct of business shall be limited to that of the published agenda. Other business may be added to the agenda upon majority vote of the membership present at the meeting.
 - 3.2.2.3 The total of all votes from the <u>TTUHSC School of Pharmacy</u> <u>Centers regional campuses</u> shall constitute the basis for decisions.

- 3.2.2.4 Special meetings may be called by the Dean, the PIP <u>PresidentChair</u>, or upon written petition by twenty-five percent (25%) of the members. Special meetings shall require the same notice as the annual meeting.
- 3.2.2.5 The PIP President Chair shall preside at all meetings of the general membership. In the absence of the PIP President Chair, the PIP Chair-elect President elect shall preside. The PIP Manager will serve as secretary at all general and committee meetings. A secretary will be elected by the policy committee.
- 3.2.2.6 Minutes of each meeting shall be circulated to each member within thirty (30) days following the meeting.
- 3.2.2.7 The presence of at least thirty-five percent (35%) of the members shall constitute a quorum.
- 3.2.2.8 Each member shall have one (1) vote and must be present to vote.
- 3.2.2.9 Except where otherwise specified within these Bylaws, a simple majority vote of the members present shall prevail.
- 3.2.2.10 Meetings of the membership shall be conducted according to *Robert's Rules of Order*. If *Robert's Rules of Order* are silent to an issue, then the order of precedence will be the governing documents of the PIP and then the policies and procedures of TTUHSC.

2.3.3.3. PIP POLICY COMMITTEE

2.3.1.3.3.1. There shall be a Policy Committee.

2.3.2.3.3.2. The Policy Committee shall consist of voting and non-voting members.

- 2.3.2.1.3.3.2.1. Voting members shall be:
 - 3.3.2.1.1. PIP Chair, who shall chair the committee and be elected from the membership at large; the term of appointment is 1 year. Chair shall begin term on the first day of September following annual elections.
 - 3.3.2.1.2. PIP Chair-elect, who shall be elected from the membership at large; the term of appointment is 1 year. Chair-Elect shall begin term on the first day of September following annual elections.
 - 3.3.2.1.3. PIP Past Chair, who shall serve as a committee member; the term of appointment is 1 year. Past Chair shall begin term on the first day of September following annual elections.
 - 2.3.2.1.1.3.3.2.1.4. Each full-time departmental Chair, if the Chair is a member, or in his or her absence, the designee of the departmental Chair.
 - 2.3.2.1.2. Two members elected from the membership at large who shall serve for two years, and whose terms shall be staggered so that one member is elected each year.
 - 2.3.2.1.3.3.3.2.1.5. Non-voting members shall be the Dean, Associate Dean for Finance and Administration, and PIP Manager.

2.3.3.3.3.3. Election of officers

2.3.3.1.<u>3.3.3.1.</u> The officers of the Policy Committee shall be the:

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- PIP Bylaws original 06/09/95 Approved by TTUS Board of Regeants
- PIP Bylaws amended 05/11/01 Approved by TTUS Board of Regeants
- PIP Bylaws amended 10/28/2014 Pending approval by Board of Regents

2.3.3.1.1.3.3.3.1.1. PIP PresidentChair, who will preside;

2.3.3.1.2. PIP President Chair elect, who will succeed the PIP President Chair or preside in the PIP President's Chair's absence and shall otherwise perform the duties prescribed by these Bylaws.

2.3.3.2.3.3.2. Officers-The PIP Chair-elect shall be elected annually by the committee-PIP members from among the voting members to serve a term of one year from September through August to coincide with the academic year.

2.3.3.3. No elected officer shall serve more than two full consecutive terms in the same office.

2.3.3.4.3.3.3.3. In the event of a vacancy:

- 2.3.3.4.1.3.3.3.1. During the term of the PIP <u>PresidentChair</u>, the PIP <u>PresidentChair</u>-elect shall fill the remainder of the PIP <u>President's Chair's</u> term, as well as the ensuing term;
- 2.3.3.4.2.3.3.3.2. During the term of the PIP <u>PresidentChair</u>-elect, a new PIP <u>PresidentChair</u>-elect shall be elected at the next regular meeting following the occurrence of the vacancy, and shall fill the remainder of the PIP <u>PresidentChair</u>-elect's term as well as the ensuing term.
- 2.3.4.3.3.4. Meetings
 - 2.3.4.1.3.3.4.1. The PIP Policy Committee shall meet at the call of the <u>PIP</u> Chair, but not less frequently than every quarter, or on the written petition of one half (1/2) of the members of the committee.
 - 2.3.4.2.3.3.4.2. The presence of majority of the voting members shall constitute a quorum.
 - <u>2.3.4.3.3.3.4.3.</u> Each voting member or his or her designee shall have one (1) vote. A simple majority vote of the voting members present shall prevail.
 - 2.3.4.4.<u>3.3.4.4.</u> Meetings shall be conducted according to *Robert's Rules of Order* (See 3.2.2.10).
- 2.3.5.3.3.5. The Policy Committee shall consider PIP business and recommend policy issues and changes to the Dean.
 - 2.3.5.1.<u>3.3.5.1.</u> The PIP <u>President-Chair</u> will communicate recommendations of the Committee to the Dean.
 - 2.3.5.2.3.3.5.2. The PIP Manager will staff the Policy Committee, will maintain minutes, and will be accountable to the Dean who is accountable for the operational and fiscal status of the PIP.
- 2.3.6. <u>The PIP President Chair may attend the meeting of the School of Pharmacy's Executive</u> Committee (SPEC) when PIP items are to be addressed.
 - 2.3.6.1.<u>3.3.6.1.</u> The Dean shall be responsible for informing the PIP <u>President-Chair</u> when an item pertinent to PIP is on the SPEC agenda.
 - 2.3.6.2.3.3.6.2. The PIP President Chair may submit agenda items to the SPEC for policy review and consideration.
- <u>2.3.7.3.3.7.</u> The Policy Committee may appoint subcommittees as necessary.

- PIP Bylaws original 06/09/95 Approved by TTUS Board of Regeants
- PIP Bylaws amended 05/11/01 Approved by TTUS Board of Regeants

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- <u>2.3.8.3.3.8.</u> The Dean and/or PIP President may appoint ad hoc committees to review specific matters when necessary.
- 2.3.9. The Dean shall be accountable to the <u>TTUHSC</u> President for the sound management of the PIP. Final authority on all matters relating to PIP shall reside with the <u>TTUHSC</u> President.

2.4.3.4. BUSINESS OPERATIONS

- 2.4.1.3.4.1. The <u>PIP</u> Policy Committee, with the advice and consent of the Dean, shall recommend the appointment of a PIP Manager to serve as the general administrator and fiscal officer of the Plan. The salary of the PIP Manager <u>shall derivemay be supported from by</u> PIP funds, in relation to the percentage of time spent on duties and responsibilities related to PIP activities.
- 2.4.2.3.4.2. A PIP Business Office, under the direction of the PIP Manager, shall be maintained by the Plan for the administration of PIP affairs.
- 2.4.3.<u>3.4.3.</u> Administrative personnel and consultants may be employed or retained as recommended by the Policy Committee or by the Dean, in accordance with <u>Center-TTUHSCS</u> Operating Policies and <u>Procedures</u> and applicable state and federal laws.
- 2.4.4.<u>3.4.4.</u> Annual operating and capital expense budgets for the Plan shall be prepared and approved in accordance with the Policies and Procedures of the Board of Regents. A summary revenue and expense budget for the coming year shall be submitted in the <u>last-third</u> quarter of the current fiscal year to the Policy Committee and to the Dean for approval and recommendation. Any changes in the final budget must be reviewed by the Policy Committee and approved by the Dean <u>prior to the</u> <u>submission of the annual budget</u>.
- 2.4.5.<u>3.4.5.</u> Financial Reports shall be prepared by the PIP Business office, under the direction of the PIP Manager and submitted <u>monthly-quarterly</u> to the Policy Committee, and to the Dean. These reports shall include summary financial data stating monthly and year-to-date billings, income, expenses, and net income to the Program Fund.
- 2.4.6.3.4.6. Collections under the Plan will be recorded for each member and reported to the Dean. An annual statement of funds deposited in the PIP during the fiscal year will be submitted to the appropriate department Chair and the Dean no later than each October 1.- These reports will be prepared and submitted by the PIP Business office.
- 2.4.7.3.4.7. Professional fees shall be centrally billed. Collections shall be made by the PIP Business Office in accordance with approved procedures. All collections shall be deposited to the PIP Business Operations Trust Fund.- Any exceptions to the billing and collection policy shall be reviewed by the Policy Committee and approved in writing by the Dean.
- 2.4.8. The TTU<u>S/TTUHSC</u> Office of Internal auditAudit Services may, at its discretion, audit the operations of PIP.

ARTICLE IV

3.0 4.0	PRACTICE INCOME PLAN IP BUSINESS OPERATIONS TRUST FUNI)S

3.1. 4.1.	COMPOSITION			
<u>3.1.1.4.1.1.</u> A PIP Business Operations Trust Fund shall be established for the receipt and disbursement				
of all <u>P</u> pr	of essional \underline{I} income under the provisions of the Plan (see Article 4.53).			
<u>3.1.2.4.1.2.</u>	The PIP Business Operations Trust Fund shall make disbursements to the following funds			
as hereina	after provided:			
<u>3.1.2.1.</u> 4.1.2.1.	Institutional Program FundInstitutional Development Fund (see Article 4.53);			
<u>3.1.2.2.</u> 4.1.2.2.	School Program Fund (see Article 4.6);			
3.1.2.3.<u>4</u>.1.2.3	School Development Fund (see Article 4.7);			
<u>3.1.2.4.4.1.2.4</u>	Member's Account (see Article 4.8).			

3.2.4.2. SOURCES OF INCOME

3.2.1.4.2.1. Pursuant to <u>each faculty the</u>-member's <u>Assignment and Plan Agreement</u>, <u>contract with the</u> <u>Plan</u>, each member shall assign all <u>P</u>professional <u>I</u><u>rncome</u><u>evenue</u> to the PIP Business Operations Trust Fund (see Article 4.34).

3.2.2.4.2.2. Income from the professional services collected by PIP for services rendered at <u>School of</u> <u>Pharmacy the campuses</u> by part-time clinical or volunteer faculty and assigned to the department shall accrue to the PIP Business Operations Trust Fund, unless exempted by recommendation of the departmental Chair, approved by the Policy Committee, and subsequently approved <u>in writing</u> by the Dean.

3.2.3.4.2.3. Income earned from any unexpended balances of the Business Operation Trust Fund, Institutional Program FundInstitutional Development Fund, or School Program Fund shall accrue to the respective fund that generated it.

3.3.4.3. ITEMS INCLUDED IN PROFESSIONAL INCOME

- <u>3.3.1.4.3.1.</u> Professional fees generated from patient care services within the campus-affiliated program, including third-party payments, patient care consultations, services, and contracts.
 - 3.3.2.4.3.2. Sales revenue for medications sold in the School's pPharmaceutical cCare cCenters.
 - 3.3.3.4.3.3. Management consulting contracts which would involve patient care (<u>ei-ge</u>., contracts between TTUHSC and outside entities set up for management of rural hospitals pharmacies).
 - 3.3.4.4.3.4. All other professional income with the exception of the following;

<u>3.3.4.1.4.3.4.1.</u> Honoraria and non-professional retainers;

Intellectual Property Policy;

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^{3.3.4.2.4.3.4.2.} Patent income and royalties as shall be established by the TTU<u>S/TTUHSC</u>

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3.3.4.3.4.3. Fees for court appearances, depositions, record reviews, other than those given by the member in an official capacity, as approved in writing by the departmental Chair.

<u>3.3.4.4.4.3.4.4.</u> Payment for editing scientific publications;

3.3.4.5.4.3.4.5. Non-patient consultation fees earned as a regional or national consultant with nonaffiliated institutions, with <u>written</u> approval of the departmental Chair.

3.3.4.6.4.3.4.6. Honoraria for continuing education.

3.3.4.7. Exceptions to the above must be approved in writing by the PIP Policy Committee and the Dean. 3.3.4.8. DETERMINATION OF PROFESSIONAL FEES FOR SERVICES

3.3.4.9.4.3.4.7. The PIP Manager shall prepare at least annually a schedule of fees to be used for customary billing, which will be approved reviewed and approved by the Dean.

3.4.4.4. BUSINESS OPERATIONS TRUST FUND

4.4.1. The Business Operation Trust Fund shall be the initial depository account and maintained by the
 School for the purpose of paying the expenses of the general administrative and business operations
 of the Plan.

3.4.1. The Business Operation Trust Fund shall be maintained by the School for the purpose of paying the expenses of the general administrative and business operations of the Plan.

3.5.4.5. INSTITUTIONAL PROGRAM FUNDINSTITUTIONAL DEVELOPMENT FUND

- <u>4.5.1.</u> An Institutional Program FundInstitutional Development Fund (IPF) shall be established for the President of the Health Sciences Center and the Chancellor.- Expenditures from this Institutional Program FundInstitutional Development Fund (IPF) shall be at the discretion of the President and the Chancellor.
- 3.5.1. The annual percentage required for allocation to the Institutional Program FundInstitutional Development Fund willshall be communicated to the Dean by the TTUHSC Office of Finance and Administration in the third quarter of each fiscal year. These funds will then be transferred to the President of the Health Sciences Center-and the Chancellor for use.
- 3.5.2.4.5.2. A Facility Use Fee shall be established annually to be funded by PIP and paid monthly to _______.
 <u>PIP and paid monthly to _______.
 <u>PIP Policy Committee in conjunction with the Dean or designee.</u></u>

3.6.4.6. SCHOOL PROGRAM FUND

<u>3.6.1.4.6.1.</u> A School Program Fund shall be established.

3.6.2.4.6.2. The School Program Fund shall consist of the balance of professional income account maintained by the PIP Business Operations Trust Fund after all payments required by the Plan.

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- 3.6.3.4.6.3. The School Program Fund shall be expended in support of faculty compensation and benefits, professional liability insurance coverage, direct School business, and functions related to teaching, research, and patient care activities.
- 3.6.4.4.6.4. Expenditures from the School Program Fund shall be under the direction of the Dean in accordance with those items allowable in Exhibit D.

3.7.4.7. SCHOOL DEVELOPMENT FUND

- <u>4.7.1.</u> A School Development Fund shall be established for the School to enhance and support development of the School.
- <u>4.7.2.</u> The PIP Policy Committee, in conjunction with the Dean, shall approve the budget and method of funding the School Development Fund.
- 3.7.1.4.7.3. Expenditures from the School Development Fund shall be at the discretion of the Dean in accordance with those items allowable in Exhibit D.

3.8.4.8. MEMBER'S ACCOUNT

<u>3.8.1.4.8.1.</u> A Member's Account shall be established for each member of the Plan.

<u>3.8.2.4.8.2.</u> The Member's Account shall consist of the member's percentage of PIP payments.

3.8.3.4.8.3. The Member's Accounts shall be maintained by the PIP Manager for expenditure at the discretion of the member. -Expenditures from the Member's Account shall be under the direction of the member in accordance with those items allowable in Exhibit CC.

ARTICLE V

4.05.0 GENERAL PROVISIONS

4.1.<u>5.1.</u> EXCEPTIONS

4.1.1.5.1.1. All exceptions granted under provisions of the Plan shall be reviewed and approved in

writing by the Dean annually and with the consultation and advice of the PIP Policy committee.

4.1.2.5.1.2. This Plan is created for management purposes only, and nothing in this Plan shall be construed to create a partnership, trust, association, or any other entity.

4.2. <u>CONTRACTSETHICS</u>

4.3. The Code of Ethics of the American Pharmaceutical Association is accepted as the governing code of ethics for the Plan (Exhibit <u>B</u>A).

4.4.5.2. <u>CONTRACTS</u>

PIP Bylaws - original 06/09/95 – Approved by TTUS Board of Regeants PIP Bylaws - amended 05/11/01 – Approved by TTUS Board of Regeants

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4.4.1. 5.2.1 <u>The Assignment and Plan Agreement Appropriate contracts shall be executed between each</u> member and the Plan, <u>substantially in the</u>. These contracts shall be in the form and content <u>as shown</u> in <u>similar to the one appended as (attached Exhibit BB)</u>.

4.4.2.

BENEFITS COMMITTEE

4.4.3.5.2.1. The PIP President shall designate one member of the Policy Committee to serve on a standing, Benefits Committee, which shall review and make recommendations regarding member benefits to the Policy Committee.

4.5.5.3. GRIEVANCE COMMITTEE

4.5.1.5.3.1. In the event that any member of the Plan has a grievance related to compliance with these Bylaws, the PIP Chair shall name an ad hoc grievance Committee to review and make recommendations to the PIP Policy Committee for resolution. Unresolved grievances will be referred to the Dean for final resolution.

4.6.5.4. AMENDMENT OF BYLAWS

- 4.6.1.5.4.1. These Bylaws may be amended by a two-thirds (2/3) vote of the members present or by a two-thirds (2/3) vote of those responding by written ballot, providing that the amendment shall have been offered at a previous meeting or by written notice not fewer than thirty (30) days prior to the meeting of the membership.
- 4.6.2.5.4.2. These Bylaws or any amendments thereto shall be effective upon approval by the Board of Regents of the Texas Tech University System.

4.7.5.5. DISSOLUTION OF PLAN

- 4.7.1.5.5.1. The Plan may be dissolved by the Dean upon recommendation of the <u>TTUHSC</u> <u>CenterPresident or</u> designee.s and approval by a two-thirds (2/3) majority of the membership, the <u>TTUHSC</u> President, and the Board of Regents.
- 4.7.2.5.5.2. Upon voluntary dissolution of the Plan in order to establish a new organizational structure, all the assets of the former Plan shall be transferred to the new Plan.
- 4.7.3.5.5.3. Upon ultimate dissolution of the Plan, all monies remaining in the PIP Business Operations Trust Fund shall be utilized to discharge obligations of the Plan, with the balance to be distributed by the Dean with the approval of the President. Accounts receivable remaining outstanding after a one-year period shall be assigned by the PIP Business Operations Trust Fund to the Texas Tech Pharmacy School Foundation (the Foundation), and all collections of such accounts shall inure solely to the benefit of the Foundation.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER ("TTUHSC")

EXHIBIT A: EXPLANATION AND OPERATION OF THE SCHOOL OF PHARMACY ("School") PHARMACY INCOME PLAN ("PIP" or "Plan")

I. PURPOSE OF PIP

The Pharmacy Income Plan (PIP or Plan) is intended as a method to enhance compensation for School of Pharmacy ("School") faculty involved in providing patient care services. The Plan will also provide funds to enhance the development of TTUHSC, the School, and School Departments. The PIP Bylaws were approved by the Texas Tech University System ("TTUS") Board of Regents on June 6, 1995 and amended on May 1, 2001. This Explanation and Operation of the Pharmacy Income Plan (PIP) document further explains the operation of the PIP and was approved by the PIP membership on 05/21/2014 on April 11, 2003 and subsequently submitted for approval to the Dean of the School of Pharmacy.

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II. PIP FUNDS

- A. Income generated from patient care and other services shall be considered PIP Professional Income. These revenues shall be collected and deposited to the School of Pharmacy PIP Business Operations Trust Fund.- Items included in Professional Income are set forth in the PIP Bylaws, section 4.3.
- B. No funds donated to TTUHSC, the School of Pharmacy, or grants between TTUHSC or the School and other entities may be deposited to individual PIP Member's Accounts. -Non-patient care fees, honoraria, or payments for non-patient care consultations, and continuing education presentations, are excluded from the PIP.
- C. There are five (5) main PIP Funds as shown below in **Figure 1** and further described below:

Figure 1.



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- Business Operations Trust Fund. This fund is used for initial receipt and disbursement of Professional Income from patient care services. <u>Additionally, this fund will be maintained for the</u> purpose of paying the expenses of the general administrative and business operations of the PIP --see section 4.4 of the PIP Bylaws. <u>Additionally, this fund will be maintained for the purpose of paying the expenses of the general</u> administrative and business operations of the PIP ______see section 4.5 of the PIP Bylaws.
- Institutional Program FundInstitutional Development Fund. This fund is solely for the purpose of transferring funds from the PIP Business Operations Trust Fund and for allocation of a fraction (e.g., 2.5%) of income to support and enhance various programs of TTUHSC. Expenditures from this fund are transferred out of the SOP, and used at the discretion of the President of TTUHSC and Chancellor -- see section 4.5 of the PIP Bylaws.
- 2.3. School Program Fund The purpose of this fund, which is transferred and managed by individual departments, is to support faculty compensation and benefits, faculty travel, professional liability, direct School Business, and functions related to teaching, research, and patient care activities -- see section 4.6 and Exhibit D of the PIP Bylaws.
- 3.4. School Development Fund The purpose of this fund is to enhance and support development of the School. This may include school-wide development activities and functions such as graduation, meals for guests, etc. -- see section 4.7 of the PIP Bylaws.
- 4.5. Member's Account. Each PIP member shall have a separate PIP account maintained by the PIP Manager as the Member's Account -- see PIP Bylaws section 3.4 and section 4.8. All deposits to and disbursements from an individual faculty Member's Account shall be documented with an appropriate receipt or record and summarized monthly for each PIP member.- These funds maywillmay be paid out upon a member's retirement or resignation from the University, contingent upon approval of the Chair of the Department and the Dean of the School of Pharmacy.

PIP FUNDS AND ALLOCATIONS

School Negotiated Contracts

- 1. <u>ExtramuralExternal</u> Contracts:
 - <u>Extramural-External</u> School negotiated contracts are those in which the School has established a contractual relationship for patient care services with an external business entity (i.e. outside of TTUHSC). Funds from these contracts are typically paid to the School for reimbursement of drug or medically related items and/or salariesfaculty time for patient care services or management and benefits. These contractual services are typically not linked to a specific faculty member. Renewal of extramural contracts is a general responsibility of the School of Pharmacy (see Example 1 below). These contractual services are typically not linked to a specific faculty member and are negotiated with assistance and involvement from the Pharmacy Practice Department Chair, Regional Dean, Dean and/or Assistant Dean of Finance and Administration. Renewal of external contracts is a general responsibility of the School of Pharmacy (see Example 1 below).
 - <u>i-ii.</u> All external PIP contracts that would affect a current faculty member's practice and are under consideration or in the process of being drafted and negotiated by the School must be drafted and <u>inconstruction</u> and <u>inconstruction</u> with both the faculty member and the Chair of the Department.
 - ii. _____For prospective faculty members who are being recruited to fulfill the terms and conditions of a current PIP contract, a copy of the current contract with the outside entity must

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be provided by the prospective division head or department chair to that individual before an offer of employment is made.

- iii.iv. According to the PIP Allocation Formula, set forth below, 25% of <u>gross</u> external contract contract-funds salaries shall be allocated to the PIP Member's Account. The remaining salary replacement funds after payment to the individual faculty Member's Account shall be allocated as designated in the PIP Allocation Formula for School Negotiated Extramural Contract Income (see Table 1 below).
- iv.v.If the faculty member chooses to augment his/her salary from PIP, TTUHSC authorized fringe costs benefits<u>expenses</u> must be paid from the faculty Member's Account <u>per HSC Policy</u>.
 Fringe costs generally include Social Security Tax (if the faculty member has not exceeded the annual maximum), Medicare Tax, Worker's Compensation and the Lump Sum Vacation Pool.
- <u>v.vi.</u>If an external contract has provisions for other payments beyond <u>salary and wages an hourly</u> <u>contracted rate</u>, funds generated from these provisions will be treated in a manner similar to the sale of medications (see Section D) (see Table 3).

Table 1.

PIP Allocation Formula for School Negotiated Extramural Contracts

PIP Allocation Formula	School Negotiated Contract Income *when deposited into PIP Member Account
PIP Member's Account	25% of salaries
Institutional Program	2% of contractPercentage Determined by
FundInstitutional Development Fund	<u>TTUHSC</u>
School Program Fund	remainder
School Development Fund	5% of contract

Example 1: Dr. AB is a new faculty member who will be working with XYZ Hospital to provide clinical pharmacy services. The School has contracted with XYZ Hospital to provide 25% of Dr. AB's salary and the associated 28% fringe benefits for these clinical services. Dr. AB's annual salary from the School is \$70,000 and \$19,600for fringe benefits (28% of \$70,000). Total salary and fringe benefits is \$89,600 (\$70,000 + \$19,600). Therefore, \$22,400 (25% of \$89,600) will be paid by XYZ Hospital to the School. Of this \$22,400, 25% of salary in the amount of \$4,375 (25% of \$17,500) will be deposited in the PIP Member's Account and may used at the PIP Members discretion in accordance with Exhibit C of the PIP Bylaws and IRS rules. Should the PIP Member choose salary augmentation, the member will be required to pay TTUHSC fringe benefit costs, currently estimated at 8.7% of the salary augmentation made. In Dr. AB case, up to \$4,024 could be paid as salary augmentation (4,375/1.087). \$351 would be charged as TTUHSC paid fringe benefit cost to his individual statement.

Example 1: Joe Smith, Assistant Professor, Pharm D

- Base Salary = \$97,500
- School Negotiated PIP Contract: \$60/hr, 80 hours/week maximum
- Total hours billed in August = 68.28
- Total Invoice to Practice Site = \$4,095.00

Allocation	Amount
Institutional-Dean	\$204.75
School Program Fund	\$ 2,765.13 2,774.37
PIP Members	\$1,023.75
President Institutional Development Fund	\$ 61.43<u>92.13**</u>
Chancellor	\$40.95
TOTAL	\$4,095.00

Member Distribution	Amount
Member Earnings (25% of gross)	\$1,023.75
Fringe Costs (~18%)	\$ 191.43 184.27
Augmentation	<u>\$832.32</u> 839.418
Base Salary Per Month	\$8,125
TOTAL Payroll Submitted:	<u>\$8,957.32 8,964.48</u>

Federal Income taxes are then deducted from payroll amount according to withholding elections and tax Brackets. <u>**Calculation based upon FY2014-2015 Institutional Development Fund rate of 2.25%**</u>

2. Intramural Internal Contracts. Income from these contracts is for patient care and administrative services provided by the School to a defined patient population for which TTUHSC is responsible. The School may be required to manage and provide pharmacy services under either a fee-for-service or capitated basis. Generally, intramural-internal contracts may shall not be commingled with PIP funds. In those few incidences where intramural-internal contracts may be paid directly to the School through PIP, the intramural contract will be treated the same as an extramural School contract for purposes of PIP allocation.

PIP Member Negotiated ExtramuralExternal Contracts

 PIP Member negotiated external contracts are those in which the faculty member has negotiated terms and conditions for contractual patient care services with an external business entity (i.e. outside of TTUHSC). These contracts are developed with input from the specific faculty member and assistance from the Assistant Dean of Finance and Administration as well as the HSC Office of Contracting. No negotiation assistance is provided from the Pharmacy Practice Department Chair, the Dean or Regional Deans. These agreements also include fee-for-service payments for clinic-based care. Although these services are linked to a specific faculty PIP member, a contractual relationship exists between TTUHSC on behalf of the School and an external entity. The School is paid only when a specified faculty PIP member provided the services. Renewal of external contracts is often dependent on the performance of a specific faculty PIP member, or group of faculty members, rather than a general responsibility of the School of Pharmacy.negotiated extramural contracts are those in which the faculty

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member has negotiated terms and conditions for contractual patient care services with an external business entity (i.e. outside of TTUHSC). This also includes fee for service payments for clinic based care... Income from these contracts is typically reimbursement for salaries and benefits paid to the School. Although these services are linked to a specific faculty PIP member, a contractual relationship exists between TTUHSC on behalf of the School and an external entity. The School is paid only when a specified faculty PIP member provided the services. Renewal of extramural external contracts is often dependent on the performance of a specific faculty PIP member, or group of faculty members, rather than a general responsibility of the School of Pharmacy.

Income generated from Member Negotiated Extramural-External Contracts shall be allocated according to the Member Negotiated/Earned Allocation Formula (see Table 2-below).

Table 2.

PIP ALLOCATION FORMULA FOR MEMBER NEGOTIATED/EARNED						
			CONTRAC	<u>FS</u>		
TOTAL PROFESSIONAL INCOME DEPOSITED DURING FISCAL Y			AL YEAR			
PIP Allocation Formula	<u>\$1 to</u> <u>\$10,000</u>	<u>\$10,001 to</u> <u>\$20,000</u>	<u>\$20,001 to</u> <u>\$30,000</u>	<u>\$30,001 to</u> <u>\$40,000</u>	<u>\$40,001 to</u> <u>\$50,000</u>	<u>Over</u> <u>\$50,000</u>
PIP Member's Account	<u>90%</u>	<u>85%</u>	<u>78%</u>	<u>69%</u>	<u>58%</u>	<u>50%</u>
Institutional Program FundInstitutional Development Fund	Percentage Determined by <u>TTUHSC2</u> <u>%</u>	Percentage Determined by TTUHSC 2 %	Percentage Determined by TTUHSC 2 %	Percentage Determined by TTUHSC 2 %	Percentage Determined by TTUHSC 2 %	Percentage Determined by TTUHSC2 <u>%</u>
School Program Fund	<u>3%</u> remainder	8% remainder	<u>15%</u> remainder	24% remainder	<u>35%</u> remainder	<u>43</u> remainder
School Development Fund	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
TOTAL Allocation	100%	100%	100%	100%	100%	100%

Federal income taxes are then deducted from payroll amount according to withholding elections and tax brackets Institutional Program FundInstitutional Development Fund percentage may change as directed by HSC Finance and

Administration office. The School Program fund for member negotiated contracts is calculated the same as school negotiated contracts – the remaining balance is applied to this fund.

- 2-3. If the faculty member chooses to augment his/her salary from PIP, TTUHSC -authorized fringe costs must be paid from the faculty's Member's Account. Fringe costs benefits generally include Social Security Tax (if the faculty member has not exceeded the annual maximum), Medicare Tax, Worker's Compensation and the Lump Sum Vacation Pool.
- 3.4. If an extramural contract has other payment provisions beyond salary and wages, funds generated from these provisions will be treated in a manner similar to the sale of medications (see section D)(see Table 3).
- 4. A clinical drug study is a special type of PIP member extramural contract. Typically, the drug company does not place specifications on the researcher or institution as to how the contract dollars are to be spent; the contract typically specifies certain data or specific reports from the researcher. The investigator may specify patient care dollars within the grant budget that may be paid to PIP for the care of study patients.
- 5. Pursuant to TTUHSC Operating Policy 70.18, a faculty member may seek employment outside of SOP or TTUHSC executed agreement to perform professional services. Income from any patient care

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services rendered outside of "normal business hour" (e.g. 8:00 AM to 5:00 PM Monday – Friday) and not on behalf of TTUHSC is not considered PIP income.

- As a TTUHSC faculty member, benefits (e.g. health insurance, retirement, etc.) are paid. Therefore, members may which to -negotiated contracts based on an hourly rate are often higher than typical market rates. This will often offset PIP taxes.
- 7. As a TTUHSC faculty member, malpractice insurance is paid by the School, and legal representation for malpractice claims will be provided by the insurer within the scope of coverage of the insurance policy is services are provided as part of a formal TTUHSC contract. PIP members who provide services outside of a formal TTUHSC member-or school negotiated PIP contract (e.g., "Dual Reporting and Multiple Employment HSC 70.18") should obtain additional malpractice insurance.
- 8. PIP Members who provide patient care services and are paid directly by the entity through agreements that comply with HSC Operating Policy 70.18 and have been approved in writing by the Department Chair and Dean may keep 100% of the earnings as this professional work is considered outside the parameters of a faculty member's role within the TTUHSC or SOP.

Payment for PIP members' and residents professional services in School's Pharmacies

- 1. School operated pharmacies will be staffed by School faculty (full or part-time), school residents, or non-faculty staff pharmacists. -The pharmacy shall pay the full cost of salaries and fringe for all professional pharmacy services provided to the pharmacy.
- 2. <u>Institutional Program FundInstitutional Development Fund</u>, School Program Fund and School Development Fund allocations shall be paid annually based on the net income of all school pharmacies combined.
- 3. Executive, Director, and Administrator salaries are not charged directly to School operated pharmacies. Instead, the pharmacies shall be charged an overhead rate of 20% of the pharmacist-in-charge salaries and fringe benefits to cover the administrative burden.
- 4. School Residents will be paid normal relief pharmacist's wages for hours worked outside normal business hours, 8:00 am 5:00 pm, Monday thru Friday. Residents, as part of their approved residency program and under the consultation of the Residency Director and Director of Residency Programs, may be assigned to work in a School pharmacy during normal business hours. There shall be no PIP payments for residency program hours.

Funds from Sale of Medications at School Operated Pharmacies

- 1. Funds earned from the sale of prescription and non-prescription medications and health supplies will first be applied to the payment of the costs of medications, prescription containers, labeling and other pharmacy supplies, and general operating costs of the pharmacy. General operating costs will include non-faculty personnel costs associated with dispensing medications and the PIP faculty member's time spent in dispensing services and related patient care activities (it should include counseling, specific disease state management activities that are a result of dispensing, drug profile review, etc.).
- 2. The pre-negotiated hourly rate for the faculty PIP member's time will be the only payment made to the faculty member for services related to the sale of prescription and non-prescription medication under their practice supervision. Billing for faculty member's professional services will be at a pre-negotiated rate between the School and the entity receiving the services. Payments received by the Plan for the faculty member's time will be allocated according to the following Payment for Professional Services from Sale of Medications (see **Table 3**). The funds remaining after all pharmacy operating costs and

faculty payments have been made will be held in the PIP Business Operations Trust Fund as a reserve against short-falls in operating revenues during subsequent periods.

Table 3.	
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Payment for Professional Services from Sale of Medications		
PIP Allocation Formula	TOTAL PROFESSIONAL INCOME DEPOSITED DURING FISCAL YEAR	
Institutional Program		
Fund <u>Institutional</u>	2% Percentage determined by TTUHSC	
Development Fund		
School Program Fund	93% remainder	
School Development Fund	5%	
TOTAL Allocation	100%	

IV. USE OF FUNDS

A. The Dean shall consider the source of PIP funds when determining departmental allocation. The appropriate uses and disbursement of funds are specified in section 4.5, 4.6, 4.7, 4.8, and Exhibits CC and DD of the PIP Bylaws. The use of these funds may be further limited by Internal Revenue Service rules and requirements. The individual faculty member shall determine the use of funds within his/her individual account, within the constraints of the University's interpretation of related business expenses

PIP DISBURSEMENT

All <u>fF</u>unds <u>deposited into Member Accounts</u> will be available for disbursement <u>from Member's Accounts</u> beginning in the month following the date of service.

There shall be subsequent reconciliation for unpaid services in the month following the date of service.

Faculty members mayshall not allocate expenses to internal member accounts if funds are not available in member accounts to pay for goods or services. Member accounts mayshall not maintain negative balances.

NON-FACULTY STAFF (Non PIP members)

A. Funds earned from assigned practice by non-PIP members shall be deposited in the PIP Business Operations Trust Fund. -Salaries, wages, and/or fringe costs shall be paid from the Business Operations Account.

VII.TOTAL ANNUAL COMPENSATION OF PIP MEMBERS

A. A PIP member's total annual compensation will be:

Annual Base Salary + <u>Augmentation From Member's Account</u> = Total Annual Compensation

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- B. Total Annual Compensation will not be known until the end of the fiscal year when all payments have been made by PIP to the faculty member.
- C. Base Salary
 - 1. Annual Base Salary is the annual salary that has been authorized by the Board of Regents for the contract year and *does not* include any salary augmentation. *Once approved by the Board for the fiscal year, this is the minimum compensation paid to the PIP member less any faculty leave without pay processed during the year, regardless of PIP earnings.*
 - 2. As with all state agencies, salaries are subject to the availability of funds and the Board of Regents must approve all faculty salaries annually.
 - 3. The Annual Base Salary may be paid from any account (state appropriations (subject to the FTE cap), PIP funds, research or educational grants (as permitted by the grantor) or contracts, etc.).
- D. Augmentation
 - 1. Augmentation is defined by the PIP Bylaws in Article II, Section 2.3.2.

VIII. GOVERNING DOCUMENT

A. In the event of inconsistency between this Explanation and Operation of the School of Pharmacy Income Plan and the School of Pharmacy Income Plan Bylaws, the terms of the Bylaws shall govern.

APPROVALS

For the School of Pharmacy

Quentin Smith, R.Ph., Ph.D. Dean, School of Pharmacy Date

Kenneth McCall, Pharm.D., BCPS, CACP PIP President Date

EXHIBIT B ASSIGNMENT AND PLAN AGREEMENT

As a condition of my employment as a member of the faculty of the Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC), I hereby assign to the Pharmacy Income Plan (the Plan) Business Operations Trust Fund all fees charged by me for professional activities, pharmaceutical care and wages paid by Texas Tech University Health Sciences Center Affiliated Clinical facilities, except those exempted by the Plan. The assignment shall be absolute, subject only to the conditions that TTUHSC shall not alter the fees charged by me, except as provided in the Bylaws of the Plan, and that such fees as are collected shall be used for purposes consistent with the Bylaws of the Plan, or amendments thereto.

<u>I further agree that all monies received by me for such fees and wages will be promptly</u> <u>turned over to the Business Office of the Plan and that all checks made payable to me for such fees</u> <u>and wages will be promptly endorsed and turned over to the Business Office. It is clearly</u> <u>understood that this assignment does not apply to salary received from TTUHSC or to</u> <u>reimbursement of actual expenses incurred under the Plan.</u>

Further, I agree to comply with the Bylaws of the Plan.

This agreement shall terminate when my membership in the Plan ends.

As indicated by my spouse's signature below, if applicable, the undersigned joins this Assignment in acknowledging that such Assignment and Plan Agreement is binding on the marital community pursuant to Texas law.

Member

Spouse of Member

As a condition of my employment as a member of the faculty of the Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC), I hereby assign to the Pharmacy Income Plan (the Plan) Business Operations Trust Fund all <u>Professional Income as defined in the Plan Bylaws</u> fees charged by me for professional activities, pharmaceutical care and wages paid by Texas Tech University Health Sciences Center Affiliated Clinical facilities, except that Income_those exempted by the Plan. <u>This A</u>The assignment shall be absolute, subject only to the conditions that TTUHSC shall not alter the <u>Professional F</u>fees charged by me, except as provided in the Bylaws of the Plan, and that such fees as are collected shall be used for purposes consistent with the Bylaws of the Plan, or amendments thereto.

I further agree that all monies received by me for such fees and wages will be promptly turned over to the Business Office of the Plan and that all checks made payable to me for such fees and wages will be promptly endorsed and turned over to the Business Office. It is clearly understood that this <u>Aassignment does not apply to salary received from TTUHSC or to reimbursement of actual expenses incurred under the Plan.</u>

- Further, I agree to comply with the Bylaws of the Plan.

- This Assignment and Plan A agreement shall terminate when my membership in the Plan ends.

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Date

Date

Witness

Date

Member

Date

Spouse

Date

Representative for the Plan

Date

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EXHIBIT C

EXPENSES ALLOWABLE FROM THE PIP PLAN MEMBER'S ACCOUNT

This Exhibit has been developed to provide guidelines for expenditure of PIP funds. It is intended to comply with any applicable federal and state laws and regulation including but not limited to riders in S.B. No.1 General Appropriations Bill, Article III, Education, Special Provision Relating Only to State Agencies of Higher Education and as these may be amended. The PIP may have an annual audit of its collections and expenditures by the Texas Tech University System office of Audit Services which will be provided to the Texas Tech University System Board of Regents.

The following expenditures are permitted from PIP<u>Member's Account</u>, subject to availability of funds and the written approval of the Dean.

- A. Augmentation of members' salaries.
- B. Salary or partial salary for faculty and/or staff (within accepted salary ranges and classification including required school benefits) with written approval of the Dean.
- C. General maintenance, operation, and purchase and/or replacement of equipment used in education, research, and patient care.
- D. Ordinary and necessary business expenses incurred by a member in generating professional income, in accordance with IRS guidelines for business expenses.
- E. Travel and other expenses, including registration fees and tuition, incidental to attendance at professional meetings, as well as the support of education, research, and patient care.
- F. <u>Approved Pp</u>rofessional society memberships.
- G. Group medical, life, disability, supplemental retirement, dental, and vision benefit insurance, and any other insurance benefit deemed appropriate. The departmental Chair, with the approval of the Dean, may individually establish these benefits.
- H. Texas State Board of Pharmacy annual license fee.
- H.I. Out of State annual license renewals.
- <u>LJ</u>. Related educational aids such as books, journals, slides, <u>and digital</u> audio or and videotapes files.

Procedures

- All requests for reimbursement <u>from a Member's Account</u> must contain adequate documentation and must be signed by the person seeking reimbursement.
- All expenditures are subject to <u>TTUHSC Operating the Policies and Texas Tech University System Regents</u>? <u>Rules.</u> <u>Procedures of the Board of Regents of Texas Tech University Health Sciences CenterSystem and</u> applicable institutional regulations and procedures.

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 This list of authorized expenditures may be periodically amended by action of the office of the <u>TTUHSC</u> President, upon recommendation of the Dean.

EXHIBIT D

EXPENSES ALLOWABLE FROM THE <u>PIP</u> SCHOOL PROGRAM FUND AND SCHOOL DEVELOPMENT FUND

This Exhibit has been developed to provide guidelines for expenditure of PIP funds. It is intended to comply with any applicable federal and state laws and regulations including, but not limited to, riders in S.B. No. 1, General Appropriations Bill, Article III, Education, Special Provisions Relating Only to State Agencies of Higher Education, and as these may be amended. The PIP may have an annual audit of its collections and expenditures by the Texas Tech University System office of Audit Services, which will be provided to the Texas Tech University System Board of Regents.

This appendix has been developed to provide guidelines for expenditure of PIP funds. It is in compliance with the rider in the 1990-91 Appropriation Bill (Senate Bill 222) and recent IRS guidelines for business expenses. The PIP may have an annual audit of its collections and expenditures which will be provided to the Texas Tech University Health Sciences Center Board of Regents within 90 days of the end of the fiscal year

- The following expenditures are permitted from PIP <u>School Program Fund</u> and School Development Fund, subject to availability of funds and the written approval of the Dean.

- A. Augmentation of members' salaries.
- B. Salary or partial salary for faculty and/or staff (within accepted salary ranges and classification including required school benefits) with written approval of the Dean.
- C. General maintenance, operation, and purchase and/or replacement of equipment used in education, research, and patient care.
- D. Ordinary and necessary business expenses incurred by a member in generating professional income, in accordance with IRS guidelines for business expenses.
- E. Travel and other expenses, including registration fees and tuition, incidental to attendance at professional meetings, as well as the support of education, research, and patient care.
- F. Professional society memberships.
- G. Expenses and consultant fees for guest speakers including official entertainment.
- H. Group medical, life, disability, supplemental retirement, dental, and vision benefit insurance, and any other insurance benefit not paid for by the state of Texas, deemed appropriate. The departmental Chair with the approval of the Dean may individually establish these benefits.
- I. Medical and professional liability premiums and reserves.
- J. Texas State Board of Pharmacy annual license fee.
- J.K. Out of state annual license renewals.

K.L. Related educational aids such as books, journals, slides, <u>and digital</u> audio and video filestapes.

L-M. Official institutional functions and official entertainment for business-

related events or for a documented benefit to Texas Tech University Health Sciences Center.

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PIP Bylaws - original 06/09/95 - Approved by TTUS Board of Regeants

PIP Bylaws - amended 05/11/01 - Approved by TTUS Board of Regeants

PIP Bylaws - amended 10/28/2014 - Pending approval by Board of Regents

Procedures

- All requests for reimbursement <u>from the School Program Fund</u> must contain adequate documentation and must be signed by the person seeking reimbursement.
- All expenditures are subject to <u>TTUHSC Operating the Policies and Texas Tech University System Regents'</u> <u>Rules.</u> <u>Procedures of the Board of Regents of Texas Tech University Health Sciences CenterSystem and</u> applicable institutional regulations and procedures.
- This list of authorized expenditures may be periodically amended by action of the office of the President, upon recommendation of the Dean.

ATTACHMENT 5

TTUS Summary of revisions proposed to Missions

ATTACHMENT ____

Summary of revisions proposed to Missions

[as of: 11-17-2014]

Substantive revisions include the following

Texas Tech University System:

The only change to the System's mission statement is the addition of Texas Tech University Health Sciences Center at El Paso to the list of the System's component institutions.

Texas Tech University Health Sciences Center at El Paso:

The addition of a mission statement for TTUHSC El Paso is proposed. Although the El Paso campus became a free-standing institution on September 1, 2013, the development of a Board-approved mission statement for the new institution was pending the arrival of a permanent president of the institution.

President Richard Lange took office on July 1, 2014, and has submitted a proposed mission statement for TTUHSC EI Paso.

[The Rules and Regulations of the Board of Regents of the Texas Tech University System]

Missions

Dates Approved or Amended: -- Comprehensive review/amendments......

The mission statements herein are the only mission statements authorized to be used without prior approval of the board.

Texas Tech University System. The mission of the Texas Tech University System is to provide leadership and support services for Texas Tech University, the Texas Tech University Health Sciences Center, <u>the Texas Tech University Health Sciences Center at El Paso</u>, and Angelo State University in the attainment of each component's individual mission.

Texas Tech University. As a public research university, Texas Tech advances knowledge through innovative and creative teaching, research, and scholarship. The university is dedicated to student success by preparing learners to be ethical leaders for a diverse and globally competitive workforce. The university is committed to enhancing the cultural and economic development of the state, nation, and world.

Texas Tech University Health Sciences Center. The mission of Texas Tech University Health Sciences Center is to improve the health of people by providing educational opportunities for students and health care professionals, advancing knowledge through scholarship and research, and providing patient care and service.

Texas Tech University Health Sciences Center at El Paso. The mission of Texas Tech University Health Sciences Center at El Paso is to improve the lives of people in our State and our community by focusing on the unique health care needs of socially and culturally diverse border populations through excellence in integrated education, research, and patient care.

Angelo State University. Angelo State University, a member of the Texas Tech University System, delivers undergraduate and graduate programs in the liberal arts, sciences, and professional disciplines. In a learning-centered environment distinguished by its integration of teaching, research, creative endeavor, service, and co-curricular experiences, ASU prepares students to be responsible citizens and to have productive careers.

ATTACHMENT 6

TTUS Summary of proposed housekeeping changes to Chapter 10 (Intellectual Property)

ATTACHMENT ____

Summary of proposed housekeeping changes to Chapter 10 (Intellectual Property)

[proposed ... 11-17-2014]

Previously, the Office of Research, Commercialization and Federal Relations ... a division within the Texas Tech University System Administration (TTUSA) ... was responsible for system-wide management and oversight of functions relating to intellectual property, and specifically when intellectual property involved technology commercialization and research.

Recently, the commercialization and research functions were transferred from TTUSA to Texas Tech University. Accordingly, changes to the Intellectual Property chapter of the *Regents' Rules* (Chapter 10) are proposed to accommodate this transfer.

There is one substantive change proposed, which involves an expansion of the signature authority for the new Office of Research Commercialization. Currently, signature authority is limited to only license agreements, but the revised signature authority would encompass most documents that further the activities of the Office of Research Commercialization. [*see Section 10.08.11 on p. 11*]

However, all other changes are housekeeping in nature and include:

- Section Explanation of proposed change
- *throughout* Modified numbering and terminology to follow definitions and style contained in the other chapters of the *Regents' Rules*.
- throughout
 The name of the department responsible for intellectual property was changed from "Office of Research, Commercialization and Federal Relations (ORCFR)" to "Office of Research Commercialization (ORC)."
 Also, the title of the head of this department was changed from "vice chancellor for ORCFR (ORCFR vice chancellor)" to "vice chancellor for ORC (ORC associate vice president)."
- 10.02.08 To better integrate commercialization activities within the academic mission of TTUS; the department was moved from the TTUSA to TTU, to operate under the direction of the TTU vice president for research.
- 10.03.03.b Replaced "CD ROM" with "digital media" to reflect technological advances since the last time a comprehensive review and amendments for Chapter 10 was done (in 2008).
- 10.03.03.d Replaced "an interactive CD ROM" with "an interactive digital medium" to reflect technological advances since the last time a comprehensive review and amendments for Chapter 10 was done (in 2008).
- 10.03.03.e Corrected reference to "TTU" with "TTUS."

Chapter 10 -- Intellectual Property Rights

<u>10.01</u> General

<u>10.01.1</u> Statement of Basic Philosophy and Objectives

It is recognized that research and scholarship on the part of [members of the] <u>TTUS</u> faculty, staff, and students [of the Texas Tech University System* (hereinafter referred to as TTUS)] will result in patentable and non-patentable inventions, such as biological and other proprietary materials, plants, manuscripts, computer software, trade secrets, medical treatments, devices, pharmaceuticals and products that are potentially marketable.

It is the policy of the [Board of Regents] <u>board</u> to encourage scholarly activity without regard to potential gains from royalties and other forms of income. In all cases, however, the affected individuals are subject to individual or TTUS obligations under grants, contracts, or research agreements with governmental agencies and sponsors. All TTUS policies will provide adequate recognition and incentives to sponsors, assignees, and creators and will serve the public interest.

<u>10.01.2</u> **[1.]** General Policy

This intellectual property policy, as adopted, shall apply prospectively to all persons employed by [the component faculties of] TTUS, to all students of TTUS, and to anyone using TTUS facilities or under the supervision of TTUS personnel. Every employee, faculty member, staff member, or student is expected to be aware of the TTUS policies regarding intellectual property and agrees to

^{*} TTU and all of its subordinate units; TTUHSC and all of its subordinate units; and ASU and all of its subordinate units.]

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accept and abide by them as a condition of employment or enrollment. All intellectual property disclosures made prior to the date of this policy shall be governed by the prior established policy.

Unless otherwise specified, copyrightable works are considered intellectual property and shall be governed by the general intellectual property policies set forth herein.

It is the intent of this policy to foster the traditional freedoms of the TTUS faculty, staff, and students in matters of publication and invention, through a fair and reasonable balance of the equities among creators, sponsors, and TTUS. The purpose of the policy is to outline the respective rights that members of the faculty, staff, and students have in intellectual materials created while they are affiliated with TTUS.

As a public institution, TTUS is entrusted with the responsibility to facilitate application of scientific, technical, artistic, and intellectual endeavors of its faculty and staff for public use and to provide for an equitable disposition of interests among the creators (authors and inventors), TTUS, and, where applicable, the sponsoring or contracting funding source.

10.02 [2.] Definitions

[For the purposes of this regulation, the following terms are defined as follows:]

- <u>10.02.1</u> [(a)] Creator: A creator is an individual subject to this policy who invents, develops, or authors intellectual property as defined below.
- <u>10.02.2</u> [(b)] Invention: A process, method, discovery, device, plant, composition of matter, or other invention that reasonably appears to qualify for protection under United States patent law, Chip Design Protection law or plant protection schemes, whether or not actually patentable. An invention may be the product of a single inventor or a group of inventors who have collaborated on a project.

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- 10.02.3 [(e)] Copyrightable Work: An original work of authorship which has been fixed in any tangible medium of expression from which it can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device, including but not limited to, books, journals, software, computer programs, musical works, dramatic works, videos, multimedia products, sound recordings, and pictorial and graphical works. A copyrightable work may be the product of a single author or a group of authors who have collaborated on a project.
- <u>10.02.4</u> [(d)] Trademark (including Service Mark): A distinctive word, design, or graphic symbol, or combination word and design, that distinguishes and identifies the goods and services of one party from those of another, such as names or symbols used in conjunction with plant varieties or computer programs.
- 10.02.5 [(e)] Tangible Research Property: Tangible items produced in the course of research including such items as biological materials, engineering drawings, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and equipment. Individual items of tangible research property may be associated with one or more intangible properties, such as inventions, copyrightable works and trademarks. An item of tangible research property may be the product of a single creator or a group of individuals who have collaborated on a project.
- <u>10.02.6</u> [(f)] Intellectual Property: Collectively, all forms of intellectual property including but not limited to inventions, innovations, discoveries, improvements, biological materials, proprietary materials, plants, copyrightable works, trademarks, and tangible research property.
- 10.02.7 [(g)] Intellectual Property Committees: Standing committees of component institutions, whose purpose is to provide a forum for discussion of policies and procedures affecting intellectual property and to advise the [ORCFR] ORC regarding intellectual property matters when called upon, including comment on disputes that may arise regarding the handling of intellectual property and technology transfer and suggestions for policy or procedure

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changes with respect to this policy. The TTU vice president for research will appoint members of the TTU committee; the TTUHSC executive vice president for academic affairs will appoint members of the TTUHSC committee; <u>the TTUHSC El Paso executive vice</u> <u>president for academic affairs will appoint members of the</u> <u>TTUHSC El Paso committee</u>; the ASU provost and vice president for academic and student affairs will appoint members of the ASU committee. The majority of members of each committee will be faculty members. Each committee will meet at least twice each year, or more often as called by the appropriate vice president [or <u>the vice chancellor of ORCFR (ORCFR vice chancellor)</u>].

10.02.8 [(h)] The Office of Research [,] Commercialization [and Federal Relations]: The mission of the [TTUS] Office of Research [,] Commercialization ("ORC") [and Federal Relations (ORCFR) administrative office's mission] is to promote the transfer of TTUS technologies for society's use and benefit while generating unrestricted income to support research and education. The [ORCFR] ORC is responsible for administration and implementation of TTUS's intellectual property program, and for assisting and advising TTUS's faculty and staff. The ORC is managed by an associate vice president ("ORC associate vice president") who reports to the TTU vice president for research.

<u>10.02.9</u> [(i)] Software: In recent years, the United States Patent and Trademark Office has determined that software which meets certain technical and legal criteria may be patentable. In the case that software originally disclosed as a copyrightable work subsequently is determined to be patentable subject matter, and TTUS chooses to seek patent protection for the software, then such software shall be managed under this regulation as an invention.

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<u>10.03</u> [3.] Ownership

10.03.1 In general, intellectual property made with the use of TTUS facilities or during the course of regularly assigned duties of the faculty and staff automatically is owned by TTUS. Those who are subject to this policy must, and do hereby, assign their rights in all applicable intellectual property to TTUS, except intellectual property which might be owned by third parties pursuant to sponsored research agreements and intellectual property resulting from independent work or approved consulting activities not utilizing TTUS facilities.

<u>10.03.2</u> [(a)] Ownership Further Defined:

- <u>a.</u> [(1)] An invention or tangible research property resulting from activities related to an individual's employment responsibilities and/or with support from TTUS funds, facilities or personnel is owned by TTUS.
- <u>b.</u> [(2)] An invention or tangible research property unrelated to an individual's employment responsibilities that is developed on his or her own time without TTUS support or use of TTUS's facilities is not owned by TTUS.
- c. [(3)] Ownership of an invention or tangible research property developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof), a state agency or a nonprofit or for-profit non-governmental entity, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms, is owned by TTUS.

<u>10.03.3</u> [(b)] Ownership of Copyrightable Works:

TTUS encourages the preparation and publication of copyrightable works that result from teaching, research, scholarly and artistic endeavors by members of the faculty, staff and student body of TTUS. Authors shall be permitted maximum freedom with respect to their copyrightable works, consistent with the obligations to TTUS. Copyrightable works may be created under a variety of cir-

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Chapter 10 Page 5 of 25 cumstances which impact the ownership and subsequent management thereof, as follows:

<u>a.</u> [(1)] Books, Articles and Similar Works

In keeping with academic tradition, and except to the extent required by the terms of any funding agreement, TTUS does not claim ownership to pedagogical, scholarly or artistic works, regardless of their form of expression. Such works include but are not limited to faculty-prepared works such as textbooks, course materials and refereed literature. Such works include those of students created in the course of their education, such as dissertations, papers and journal articles. Furthermore, TTUS claims no ownership in popular nonfiction, novels, poems, musical compositions or other works of artistic imagination that are not works for hire. If title to copyright in works defined within this section vests in TTUS by law, TTUS will, upon request and to the extent consistent with its legal obligations, convey copyright to the authors of such copyrightable works.

b. [(2)] Institutional Works or "Works for Hire"

TTUS shall retain ownership of copyrightable works created for institutional purposes in the course of the creator's employment, including but not limited to simultaneous or sequential contributions over time by numerous faculty, staff or students. For instance, work assigned to programmers is institutional work or "work for hire" as defined by law, as is software developed for TTUS purposes by staff working collaboratively. Brochures, training programs, [CD ROMs] digital media, videos, and manuals for which staff members are hired to develop are other examples of institutional works, or work for hire. TTUS owns all right, title and interest in such institutional works.

c. [(3)] Works Developed with Significant Use of Resources

Copyrightable works that are not works for hire but are works that are developed with integral and significant use of funds,

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space, hardware, or facilities administered by TTUS, where use was essential and substantial rather than incidental, shall be owned by TTUS. Furthermore, copyrightable works that are not works for hire (see Section [(2) above] 10.03.3.b) but are works that are developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof), a state agency or a non-profit or for-profit non-governmental entity, or by a private gift or grant to TTUS, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms and to the extent consistent with copyright law, shall be owned by TTUS. TTUS recognizes and affirms the traditional academic freedom of its faculty and staff to publish pedagogical, scholarly or artistic works without restriction. In keeping with this philosophy, TTUS will not construe the provision of offices or library facilities as constituting significant use of TTUS resources, except for those instances where the resources were furnished specifically to support the development of such copyrightable works. Nothing in this section is intended to change the traditional manner in which TTUS faculty, staff and employees assign the copyright ownership of works intended for publication in scholarly journals.

<u>d.</u> [(4)] Hybrid Works

Changing technology can give rise to creative efforts that fall into more than one category, for example, a book (traditionally owned by the author) coupled with an interactive [CD ROMs] digital medium (perhaps software in which TTUS may have rights to under this policy). Such hybrid works should be brought to the attention of the [ORCFR] ORC which shall negotiate a reasonable sharing arrangement or release as may be appropriate. Should the [ORCFR] ORC and the creator be unable to agree, the matter shall be finally resolved by the president of the applicable institution.

e. [(5)] Copyrightable Works Not Owned by TTUS

Authors of copyrightable works that are not owned by TTUS own the copyrights in their works and are free to publish them, register the copyright, and to receive any revenues which may result there from.

Copyrightable works to which [TTU] TTUS has no ownership rights (see [foregoing] Section [3(b)(1-4)] 10.03.3.a-d, where conditions for [TTU] TTUS ownership are defined) may still be submitted for publication and published by TTUS. Upon TTUS publication acceptance, the independent author shall agree to transfer copyright of the work by contract to the specific TTUS publication. A transfer agreement obtained from the [ORCFR] ORC shall be executed and maintained in the [ORCFR] ORC.

<u>10.04</u> [4,] Research Involving Third Party

In research sponsored by or involving third parties, provisions for the control of and compensation for patents should normally be consistent with the general policy stated herein. However, nothing in this policy shall preclude acceptance of a contract, grant or agreement which provides for ownership of intellectual property by the sponsor with appropriate compensation.

<u>10.05</u> [5,] Disclosure of Intellectual Property

All intellectual property shall be promptly disclosed to the [ORCFR] ORC. Disclosure shall be made on a disclosure form prescribed by and available from the [ORCFR] ORC. Creators shall cooperate with TTUS and the [ORCFR] ORC in protecting intellectual property rights in the invention. At least once a year, coincidental with a regular board meeting, the [ORCFR] ORC associate vice [chancellor] president shall prepare for the chancellor and the board a report listing the titles and a brief description of each disclosure received since the last report.

<u>10.06</u> [6.] Intellectual Property Administration

When TTUS elects to protect intellectual property in its name, it shall award to the creator a reasonable share (as defined hereinafter) of net proceeds from royalties or other income or value after deduction of the directly assignable

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costs of patenting, marketing, licensing and protection of intellectual property rights.

<u>10.07</u> [7.] Determinations by the [ORCFR] ORC.

The [ORCFR for TTUS] ORC shall make determinations as to:

- <u>10.07.1</u> [(a)] the potential value of the intellectual property to TTUS;
- <u>10.07.2</u> [(b)] the rights and equities of the creator, TTUS and any third parties; and
- <u>10.07.3</u> [(e)] the required actions to maximize the benefits of any intellectual property to the public, TTUS, and the creator.

10.08 [8.] Implementation

The following guidelines shall be applicable to license agreements with private entities including those formed primarily for the purpose of developing and/or commercializing intellectual property created at TTUS subject to the terms of sponsored research agreements which may have led to the creation of such intellectual property:

- <u>10.08.1</u> [(a)] No entity shall be granted the exclusive rights to the development and/or commercialization of all intellectual property created at TTUS. Agreements should grant rights only on a specific project basis.
- 10.08.2 [(b)] If an entity is granted the exclusive rights with respect to a particular invention, product, process or other item of intellectual property, the agreement should provide that such rights will revert to TTUS in the event the entity fails to diligently develop and commercialize the property within a specified period of time that is appropriate to the particular circumstances.
- 10.08.3 [(e)] An entity that is granted exclusive rights to develop or commercialize intellectual property that is patentable should be required to reimburse TTUS for all expenses incurred by TTUS in obtaining a patent or, if a patent has not been obtained, should be required to prosecute and bear the expense of obtaining patent protection for

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the benefit of TTUS and, in either event, the entity should be required to take all actions necessary, including litigation, to protect and preserve such patented rights from infringement.

- <u>10.08.4</u> [(d)] TTUS and its officers and employees should be protected and indemnified from all liability arising from the development, marketing, or use of the particular intellectual property.
- <u>10.08.5</u> [(e)] Restrictions on use by the component institution for research and teaching purposes and the publication rights of researchers should be minimized.
- <u>10.08.6</u> [(f)] If the entity fails to develop and commercialize the property, any and all rights the entity has been granted in TTUS's property shall be returned and granted back to TTUS so that another entity may be offered the right to develop and commercialize the technology.
- <u>10.08.7</u> [(g)] The entity should be required to comply with all applicable federal, state, and local laws and regulations, particularly those concerning use of animals, biological materials and necessary testing, human subject protection and approval by the Federal Drug Administration or other relevant federal or state agency.
- <u>10.08.8</u> [(h)] The entity should be required to maintain confidentiality with regard to any unpatented technology or know-how.
- 10.08.9 [(i)] An entity that grants a license or sublicense to some other entity for property or technology that is in whole or in part derived from or based on that which is licensed to the entity by TTUS, should be required to share with TTUS: at least 40% of any royalty received by the entity and at least 40% of any equity position to which the entity may be entitled. An entity that participates in additional research and development of property or technology that is licensed may be entitled to a reduction from the above restriction per recommendation by the [ORCFR] ORC associate vice [chancellor] president and approval of the president of the respective institution. Such participation means specifically: sponsored research into TTUS, bundling TTUS intellectual property with the entity's existing intellectual property to form joint intellectual property,

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Chapter 10 Page 10 of 25 and/or a specified product development period of over one year with mutually agreed upon milestones.

<u>10.08.10</u> [(j)] License agreements should contain such other provisions as may be determined by the [ORCFR] ORC and the Office of General Counsel to be in the best interest of TTUS.

<u>10.08.11</u> [(k)] The [ORCFR vice chancellor] ORC is authorized to negotiate,

and the TTU vice president for research or designee is authorized

to execute, TTUS license agreements, preludes to license agree-

ments (including option agreements and memorandums of under-

standing), inter-institutional agreements, assignments of

intellectual property related to inter-institutional agreements,

powers of attorney for patent filings, non-disclosure agreements

related to ORC business, and patent and copyright documents.

The authority to execute such documents that involve a commit-

<u>ment of funds or resources is restricted to documents</u> that have been:

- <u>a.</u> [(1)] approved by the vice president for research (or the equivalent of that position) of the institution at which the creator is employed; and
- <u>b.</u> [(2)] approved as to form, law, and compliance with the *Regents' Rules* and applicable policies by the vice chancellor and general counsel.

<u>10.09</u> [9.] Reports to the Board

The chancellor shall report annually to the [Board of Regents] board concerning the status of license agreements, including the distribution of revenues earned from such agreements. The chancellor will inform the board at the first meeting following the end of each calendar quarter of any license agreements entered into by the [TTUS ORCFR] ORC and not previously reported.

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<u>10.10</u> [10.] Reports to the State of Texas

In compliance with Section 51.912, *Texas Education Code*, the [Board of Regents] board must file a report identifying all employees who have an equity interest in or serve as employees, officers, or members of the board of directors of business entities that have agreements with TTUS relating to the research, development, licensing or exploitation of intellectual property in which TTUS has an ownership interest. The report will be filed in accordance with the requirements of Section 51.005, *Texas Education Code*. The [ORCFR] ORC will submit the report through the chancellor or his/her designee to the [Office of the Board of Regents] board. The [board office] secretary will obtain the signature of the [chairman of the board] chair and will transmit the report to the Governor's office and other required entities.

<u>10.11</u> [11.] Board Approval of Employee Participation in Business Entities

<u>10.11.1</u> [(a)] For the purposes of this section, the following definitions apply:

- <u>a.</u> [(1)] "Creator/inventor" means: an employee of TTUS who conceives, creates, discovers, invents, or develops intellectual property for which TTUS has entered into an intellectual property agreement with an IPA entity.
- <u>b.</u> [(2)] "Intellectual property agreement" or "IPA" means: an agreement relating to the research, development, licensing, or exploitation of intellectual property in which TTUS has an ownership interest.
- c. [(3)] "IPA entity" means: a business entity that has an intellectual property agreement with the State of Texas or a political subdivision of the State, including but not limited to TTUS.
- <u>10.11.2</u> [(b)] Employee who is not the creator/inventor. A TTUS employee who is not the creator/inventor shall not participate as an employee, officer, or member of the governing board of an IPA entity.

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- <u>10.11.3</u> [(c)] Employee who is the creator/inventor.
 - a. [(1)] Subject to all applicable policies relating to ethics, conflict of interest, consulting or outside employment, and disclosure provided in Chapters 03 and 10, *Regents' Rules*, and in institutional operating policies, a creator/inventor who wishes to participate as an employee, officer or member of the governing board of an IPA entity that utilizes intellectual property produced by the creator/inventor may do so only if approved by the board in advance.
 - b. [(2)] After a creator/inventor has received the approval of the board under Section [10.11(c)(1) of this section] 10.11.3.a, the creator/inventor must report to the ORC associate vice [chancellor for technology commercialization] president and the vice president for research (or the equivalent of that position) of the institution at which the creator/inventor is employed the following:
 - (1) [(A)] the name of the IPA entity and the position or positions in which the creator/inventor participates as an employee, officer, or member of the governing board; and
 - (2) [(B)] within 30 days of the event, any change in the status of the creator/inventor's participation as an employee, officer, or member of the governing board.
- <u>10.11.4</u> [(d)] Attending or monitoring meetings of the governing board of an IPA entity. To the extent authorized by the agreement between TTUS and the IPA entity, the chancellor, or the designee of the chancellor, may attend or monitor meetings of the governing board of the IPA entity. In such event, the chancellor, or the chancellor's designee, shall act solely as the representative of TTUS and shall not accept any compensation or expense reimbursement from the IPA entity.

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<u>10.12</u> [12.] Assignment and Protection

- <u>10.12.1</u> [(a)] Creators shall execute appropriate assignment and/or other documents required to set forth effectively the ownership and rights to inventions and tangible research property. Assignment agreements are prescribed by and available from the [ORCFR] ORC.
- 10.12.2 [(b)] The [ORCFR] ORC will determine whether TTUS desires to commit funding to obtain protection for the invention, and shall so notify the creators of the decision. In many cases, before making a final decision, the [ORCFR] ORC will identify one or more licensees who will bear the cost of obtaining patent protection.
- <u>10.12.3</u> [(e)] In those instances where the creator perceives that delay would jeopardize obtaining the appropriate protection for the invention, the creator may request that TTUS expedite its decision. If TTUS has not acted within six months after a request to expedite, and the creator has cooperated in good faith, TTUS will release its rights and Section <u>10.</u>19 shall apply.

<u>10.12.4</u> [(d)] Copyrightable Works

Agreements permitting a party to use, develop, or otherwise commercialize copyrightable works owned by TTUS are encouraged. The [ORCFR] ORC has primary responsibility for negotiating with third parties having an interest in using, developing or otherwise commercializing copyrightable works.

<u>10.13</u> [13.] Obligations to Sponsors

The [ORCFR] ORC, in cooperation with the respective Office of Research Services or Office of Sponsored Programs, shall coordinate reporting requirements and other obligations to research sponsors regarding inventions or economically significant tangible research property developed under a research contract or grant, including but not limited to obligations to the United States Government under [37CFR] 37 CFR Part 401.

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<u>10.14</u> [14.] Distribution of Income from Commercialization and Licensing

10.14.1 [(a)] Where TTUS has an ownership interest in the intellectual property pursuant to this policy, the following provisions will govern the distribution of royalties and other income, including but not limited to license fees, prepaid royalties, minimum royalties, running royalties, milestone payments, and sublicense payments, after TTUS has recouped all direct costs associated with the processing of the patent or copyright application and marketing and licensing the technology:

Net Royalty and	!		Depart-	
Other Income	Creator(s)	TTUS	ment*	Unit**
\$0 - \$100,000	50%	30%	10%	10%
\$100,001 – \$500,000	\$50,000 plus 40% of amount over \$100,000	30%	15%	15%
\$500,000 – up	\$210,000 plus \$30% of amount over \$500,000	30%	As set by of Regen	

* Department, center, or institute

** College or school

Net royalties and other income are to be paid according to the above schedule as the net royalties are earned; that is, the individual will receive 50% of the first \$100,000, and 30% of all net royalties over \$100,000. Funds received by the department and college will be placed in unrestricted accounts under their control. Such funds will not be used to substitute for funds budgeted for expenditure in the routine annual operating budget which is approved by the [Board of Regents] board.

10.14.2 [(b)] This policy recognizes that in addition to the traditional academic units such as departments and colleges, research, and specifically interdisciplinary research, can be sponsored by other academic units, such as centers and institutes. Because of the many different combinations that may occur, this policy cannot specify how the royalties are to be allocated. It is, however, the general policy of [Intellectual Property Rights] Chapter 10, Regents'

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Rules, to allocate royalties to the units which have provided the substantial level of indirect support that triggers TTUS's ownership of the intellectual property. The policy encourages voluntary agreements between such units prior to the development of intellectual property (to allocate the percentage of royalty share that is appropriate for each unit). In the event that no agreement can be reached prior to the generation of royalties, the president of the applicable institution(s) will resolve the allocation question.

The division of net royalties and other income from patents and copyrights managed by a patent or copyright agent will be controlled by TTUS agreement with such agent, as approved by the [TTUS Board of Regents] <u>board</u>. Any deviation from this rule requires the prior approval of the [TTUS Board of Regents] <u>board</u>.

- <u>10.14.3</u> [(c)] Copyrightable Works. All monetary proceeds from commercialization of copyrightable works, including royalties, equity interests, and dividends, are the property of the TTUS component from which the work emerged. Income received from commercialization of copyrightable works will be distributed as follows:
 - <u>a.</u> [(1)] Institutional Works: TTUS shall be entitled to all income from distribution or commercialization of institutional works.
 - b. [(2)] Works Developed with Significant Use of Resources: In cases where the [ORCFR] ORC conducts the commercialization or distribution of the copyrightable work on behalf of TTUS, the distribution of income shall be made in accordance with steps outlined in Section [(a) above] 10.14.1.

In cases where the TTUS unit conducts the commercialization or distribution of the copyrightable work, the distribution of net income after expenses of creation and distribution shall be as follows: 50% to the TTUS unit and 50% to the author.

<u>c.</u> [(3)] In the event of multiple authors, the authors will agree among themselves as to the distribution of the income accruing to the authors; distribution of the authors' share shall be made only upon receipt of a signed agreement between the authors. In the event that an author is a joint employee of two or

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Chapter 10 Page 16 of 25 more [components] component institutions, or in the event that authors represent two or more [components] component institutions, the components will agree as to the distribution of the income accruing to the [components] component institutions, considering such factors as annualized FTE by component institution and relative contributions of the authors to the work.

<u>10.15</u> [15.] Equity and Other Non-monetary Returns

- <u>10.15.1</u> TTUS may negotiate, but shall not be obligated to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating to intellectual property.
- <u>10.15.2</u> [(a)] Creators may receive up to 50% of any equity or other nonmonetary consideration (or, in TTUS's discretion, its monetary equivalent) received by TTUS or its [components] component institutions under this section. However, TTUS may choose to receive the consideration under terms that restrict its ability to sell, distribute or otherwise deal with the equity interests. In such cases, any restrictions on TTUS's interest shall be equally applicable to the interest of the creator, unless waived or varied in writing and signed by the [ORCFR] ORC associate vice [chancellor] president and the creator.
- <u>10.15.3</u> [(b)] TTUS does not act as a fiduciary for any person concerning equity or other consideration received under the terms of this regulation.
- 10.15.4 [(e)] The division of net royalties and other income from patents and copyrights and marketing and licensing the technology managed by a patent or copyright agent will be controlled by TTUS agreement with such agent, as approved by the [TTUS Board of Regents] board. Any deviation from this rule requires the prior approval of the [TTUS Board of Regents] board.

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<u>10.16</u> [16.] Equity Ownership

This policy allows equity ownership and business participation by TTUS faculty, staff, and students consistent with state law as presently stated in Section 51.912, *Texas Education Code*, or any other future statutory provision relating to the subject matter of this intellectual property policy.

10.17 [17.] Trademarks

In most situations, a trademark identifies an item of intellectual property, such as a computer program or a plant variety. In other situations, a trademark identifies an educational, service, public relations, research or training program of TTUS [or its components]. TTUS, or the applicable TTUS component <u>institutions</u>, owns all right, title and interest in trademarks related to an item of intellectual property owned by TTUS or its [components] component <u>institutions</u>, or to a program of education, service, public relations, research or training program of TTUS or its components. All income from the licensing of a trademark shall belong to TTUS, or the TTUS component <u>institution</u>, as applicable.

<u>10.18</u> [18.] Tangible Research Property

- <u>10.18.1</u> [(a)] TTUS owns all right, title and interest in tangible research property related to an individual's employment responsibilities and/or developed with support from TTUS-administered funds, facilities, equipment or personnel.
- 10.18.2 [(b)] For purposes of management of the asset, tangible research property shall be managed as an invention, with distribution of income from the distribution or commercialization of such tangible research property made in accordance with Section <u>10.</u>14.

<u>10.19</u> [19.] Provisions for Release of Rights to Creators

Absent a contractual obligation to a research sponsor, TTUS may release ownership rights to a creator, with the following provisions.

<u>10.19.1</u> [(a)] TTUS shall retain [for TTUS and all components thereof] a perpetual, royalty-free license to use the invention or copyrightable

work, and any corresponding patents or copyrights, for research, education and service purposes.

- 10.19.2 [(b)] TTUS shall receive a share of all proceeds generated from commercialization of the invention or copyrightable work after the creator has recovered documented out-of-pocket costs for obtaining legal protection for the invention or copyrightable work, the amount of such share to be negotiated at the time of the release. Should the [ORCFR] ORC and the creator be unable to agree, the matter shall be finally resolved by the president of the applicable institution.
- <u>10.19.3</u> [(c)] In the case of release of rights to the creator, the creator shall not be entitled to a share of proceeds received by TTUS under Section [(b) above] 10.19.2.

<u>10.20</u> [20.] Offers of Intellectual Property

- <u>10.20.1</u> [(a)] If an individual chooses to offer to TTUS certain intellectual property in which TTUS has no claim, TTUS may accept ownership of the intellectual property provided that:
 - <u>a.</u> [(1)] the individual makes the offer to TTUS as if the intellectual property had been created within TTUS;
 - <u>b.</u> [(2)] the individual agrees to all provisions (including distribution of income provisions) of this policy;
 - <u>c.</u> [(3)] the individual warrants that he or she owns all right, title and interest to the intellectual property, and that to the best of his or her knowledge, the intellectual property does not infringe upon any existing copyright or other legal rights.
- <u>10.20.2</u> [(b)] The [ORCFR] ORC will decide whether to accept or reject such offers.
- <u>10.20.3</u> [(e)] Should TTUS agree to accept the offer of intellectual property, the individual will execute an [ORCFR] ORC assignment agreement transferring all right, title, and interest in the intellectual property to TTUS, and acknowledging that the individual agrees

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Chapter 10 Page 19 of 25 to all provisions of this policy. In cases in which the individual has already expended funds toward obtaining patent or other legal protection for the invention, the individual and TTUS may negotiate terms to allow recovery of legal and/or patent expenses from license fees and/or royalty income. Such an agreement would modify normal royalty sharing provisions until such expenses are recovered by the party entitled to recovery of the expenses.

<u>10.20.4</u> [(d)] TTUS may accept charitable donations of intellectual property from governmental or private organizations. Upon the transfer of title in the intellectual property to TTUS, the intellectual property will be managed in accordance with this policy.

<u>10.21</u> [21.] Complaint Procedure

<u>10.21.1</u> [(a)] [Foreword.] The purpose of these procedures is to address complaints of individuals covered by this policy [(all persons employed by components of TTUS, all students of TTUS, and anyone using TTUS facilities or under the supervision of TTUS personnel)] related to the actions or decisions of the [ORCFR] ORC associate vice [chancellor] president and to provide a mechanism for resolving them. Each member of the TTUS faculty and staff shall have the right to a hearing for redress of complaints through established channels.

After the complaint is presented to the [ORCFR] ORC associate vice [chancellor] president, the time periods for action prescribed in these procedures are guidelines only but should be followed unless a request for extension is granted for good cause by the vice president for research of the applicable institution. Consideration should be given for TTUS holidays and agreement of the parties.

<u>10.21.2</u> [(b)] Complaint Initiation. The complainant will present a written description of the complaint and proposed resolution to the [ORCFR] ORC associate vice [chancellor] president within 21 calendar days after the complainant becomes aware of the action constituting the complaint. The complainant and [ORCFR] ORC associate vice [chancellor] president will meet within 21 calendar

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days of receipt by the [ORCFR] ORC associate vice [chancellor] president and attempt resolution of the complaint. If resolution is not reached, the [ORCFR] ORC associate vice [chancellor's] president's written decision will be provided to the complainant within 10 calendar days after the meeting. If the decision is not acceptable to the [complaintant] complainant, or if the [ORCFR] ORC associate vice [chancellor] president does not render a written decision within 10 working days, the complainant may proceed as set forth below.

- 10.21.3 [(e)] Mediation. The complainant or the [ORCFR] ORC associate vice [chancellor] president may request mediation of the dispute within 10 calendar days of the [ORCFR] ORC associate vice [chancellor's] president's written decision provided under [Subsection (b)] Section 10.21.2. If the [ORCFR] ORC associate vice [chancellor] president and complainant agree, a person acceptable to both parties will mediate the complaint. If the parties are unable to agree upon a mediator within 10 calendar days of the request to mediate, the vice president for research of the applicable institution, or designate, will select a member of the TTUS community, familiar with the area in dispute, to serve as mediator. The complaint will be presented for mediation within 21 calendar days after the mediator has been selected.
 - <u>a.</u> If mediation is successful, the complaint process shall end.
 - b. If mediation fails to resolve the complaint, the [ORCFR] ORC associate vice [chancellor] president will provide a written decision to the complainant within 10 calendar days after the mediation is concluded. If the [ORCFR] ORC associate vice [chancellor's] president's decision is not acceptable to the complainant, the complainant may proceed as set forth below.

<u>10.21.4</u> [(d)] Appeal to the President

<u>a.</u> [(1)] The appeal procedure is initiated by the complainant providing a written request to the president asking that the

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Chapter 10 Page 21 of 25 decision of the [ORCFR] ORC associate vice [chancellor] president be reviewed. The complainant will provide copies of the original complaint, written decisions of the [ORCFR] ORC associate vice [chancellor] president and a proposed resolution.

The appeal to the president shall be filed within 15 calendar days of the complainant's receipt, or lack thereof, of the written decision of the [ORCFR] ORC associate vice [chancellor] president.

The president of the applicable institution, in consultation with the Intellectual Property Committee of the applicable institution, will select three (3) members of the institution's community to serve on an appeal committee.

Persons selected for service on the committee will be allowed to present to the president reasons why they should be recused from the process.

Following the selection of the three (3) person appeal committee, the president will convene the committee, give the committee its charge, and supply the committee with all relevant documents furnished by the [ORCFR] ORC associate vice [chancellor] president and the complainant.

<u>b.</u> [(2)] The president may appoint a faculty member with expertise in the relevant area of intellectual property to serve as a non-voting facilitator to assist the committee in its deliberations.

<u>10.21.5 [(e)]</u> Hearing Committee Process

a. [(1)] Within 21 days of receipt of the request from the president, the hearing committee will hold its hearing. The committee will, prior to the hearing, elect its own chairperson. The chairperson's notice of scheduling a time and place for the hearing will be delivered to the involved parties at least seven calendar days prior to the hearing.

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- b. [(2)] The hearing will be non-adversarial in nature and conducted in accordance with the procedures established by the committee. The complainant and the [ORCFR] ORC associate vice [chancellor] president will be given the opportunity to present each party's position, including the right to present information, written or oral, considered relevant or material to the complaint as determined by the committee. The committee may call such witnesses as it considers appropriate.
- c. [(3)] At the conclusion of the hearing, the committee will meet and consider the matter. The majority opinion will constitute the committee's recommendations to the president. A minority opinion may also be submitted to the president. The committee's recommendations to the president shall be advisory in nature.

If the president has appointed a non-voting faculty facilitator as permitted above, the facilitator may attend the hearing and, subject to the will of the committee, may or may not be present during the committee's deliberations.

- <u>10.21.6</u> [(f)] President's Decision. The president will consider all material submitted and the recommendation of the committee and render a written decision, with copies to the committee, within 15 calendar days of receipt of the committee's recommendations. The president's decision is final.
- <u>10.21.7</u> [(g)] Resolution by the Parties. The [ORCFR] ORC associate vice [chancellor] president and complainant may agree to a resolution of the complaint at any time from institution of the complaint until receipt of the president's decision.

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Index of Chapter 10 amendments adopted since December 12, 2008:

[NOTE: Until they actually are approved by the Board, the amendments proposed herein will not be entered into the following list of adopted amendments.]

<u>Section</u>	<u>Date</u>	Description of Amendment
10.8(k)	12-17-10	 The amendment added a requirement that, before the Director of OTTIP may finalize a license agreement: the Vice President for Research of the involved institution must approve the agreement; and the General Counsel must approve the agreement as to form, law, and compliance with the <i>Regents' Rules</i> and applicable policies.
10.11	12-17-10	 The amendment: added a prohibition on an employee who is not the creator/inventor from serving as an officer, employee or board member of a business entity that has an agreement with Texas Tech for use of intellectual property in which Texas Tech has an ownership interest; clarified that an employee who is the creator/inventor may serve as an officer, employee or board member of such a business entity if approved by the Board and added reporting requirements for a creator/inventor who is approved for such service; and added: (1) an authorization for the chancellor or the chancellor's designee to have visitation rights on the governing board of a business entity with which Texas Tech has an intellectual property agreement; and (2) set the conditions under which a Texas Tech representative may exercise the visitation rights.
10.3(a)	03-01-13	With respect to when the ownership rights of TTUS attach to intellectual property, the amendment closed the previous gap in time between the creation of the intellectual property and the required assignment to TTUS of the rights to the intellectual property. With

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this amendment, the ownership rights of TTUS attach at the time the intellectual property is created.

10 throughout	03-01-13	The name of the TTUS department that is responsible for intellectual property was changed from "Office of Technology Transfer and Intellectual Property (OTTIP)" to "Office of Research, Commercialization and Federal Re- lations (ORCFR)" and the title of the head of this department was changed from "Director of OTTIP (Director)" to "vice chancellor for ORCFR (ORCFR vice chancellor)".
10.3(b)	08-09-13	An "Ownership of Copyrightable Works" provision that required a distance learning course materials policy to be approved by the board was deleted. Dropping this requirement from the <i>Regents' Rules</i> provides flexibility for academic officers to make re- visions to such policies through the process used to prepare and adopt institutional operating policies.

ATTACHMENT 7

ASU OP 10.01, Undergraduate Student Admissions with proposed amendments [Major revisions: approved by the Board of Regents, October 10, 2014] [Major revision: December x, 2014]



Angelo State University Operating Policy and Procedure

OP 10.01:	Undergraduate Student Admissions
DATE:	October 15 December x, 2014
PURPOSE:	The purpose of this Operating Policy and/or Procedure (OP) is to outline policies concerning undergraduate student admissions.
REVIEW:	This OP will be reviewed in August of every odd -numbered year by the executive director of enrollment management with recommended revisions forwarded by September 1 through the vice president for student affairs and enrollment management to the president for approval and submission to the Board of Regents for approval. (<i>Regents' Rules</i> , Sections 05.01.2 and 05.02)

POLICY/PROCEDURE

Angelo State University commits itself to the equal consideration of all qualified applicants for admission without regard to race, color, religion, sex, age, or national origin, and without regard to disabilities as required by the Americans with Disabilities Act of 1990. An applicant will be eligible for admission to the university when the Office of Admissions has on file the items required in the appropriate category, as listed below, and when all requirements in that category have been met.

- Application for Admission.
- Official transcripts of high school records.
- Scores on the American College Test (ACT) or the Scholastic Assessment Test (SAT) (scores cannot be more than five years old).
- Current non-refundable application fee.

1. ASSURED ADMISSION

Assured admission is granted to applicants based on satisfaction of the following requirements: a) graduate from an accredited high school or home school with a Texas Advanced or Recommended or Distinguished Achievement Program diploma or the Endorsements or Distinguished level of Achievement on the Foundation High School Program or its equivalent; and b) present the combination rank in class and minimum test scores indicated below.

High School	Test Scores
Class Rank	<u>ACT</u> or <u>SAT</u>
Top 10% (Distinguished Program Required)	No Minimum
Next 40%	17 / 820 (Math/Critical Reading)
3 rd Qtr	File Review
4 th Qtr	File Review

[Major revisions: approved by the Board of Regents, October 10, 2014] [Major revision: December x, 2014]

Assured admission is also granted to applicants who have: a) graduated from an accredited high school or home school with a Texas Advanced or Recommended or Distinguished Achievement Program diploma or the Endorsements or Distinguished level of Achievement on the Foundation High School Program or its equivalent; b) completed at least six (6) semester credit hours of dual credit through Angelo State University with a 3.0 GPA or higher; and c) submitted ACT or SAT scores.

Assured admission may also be granted to applicants not on a Texas High School Diploma Program but who meet one of the requirements listed below and meet the class rank and test score requirements noted above. The required SAT scores for assured admission are based on the math and critical reading portions of the SAT only.

- a. Submit, for private and home school students, the Texas Private High School Certification Form published by and made available on the Texas Higher Education Coordinating Board website.
- b. Satisfy ACT's College Readiness Benchmarks on the ACT assessment.
- c. Earn an SAT assessment score of at least a 1500 out of 2400.

Students who are unranked or fall within the 3rd or 4th quartiles will have their file reviewed to determine admissibility and potential for success at Angelo State University. Consideration factors include, but are not limited to, the applicant's academic record, class rank, standardized test scores, first-generation status, bilingual proficiency, extracurricular activities, community activities, region of residence, socioeconomic background, financial status of the school district, the school district's performance level on the TEA's accountability criteria, responsibilities such as employment or helping to rear children, resident of a rural or urban area or a resident of a central city or suburban area, attendance in a school under a court ordered desegregation plan, commitment to a particular field of study, personal interview, admission to a comparable accredited out-of-state institution, any other consideration the university considers necessary to accomplish the university's stated mission.

2. ADMISSION FILE REVIEW OF FRESHMAN APPLICANTS

Applicants who do not meet the assured admission criteria will have their records reviewed to evaluate other factors that predict success at Angelo State University. Consideration factors are the same as those used in the Assured Admission for applicants who are unranked or in the 3^{rd} or 4^{th} quartile.

3. ADMISSION TO A COLLEGE MAJOR

All new students will be admitted to the university then to a college and major. A college or major may have admission requirements in addition to those of the university.

4. GENERAL EQUIVALENCY DIPLOMA (GED) ADMISSION

Individuals who are not high school graduates but who have submitted evidence of a high school equivalency diploma from the Texas Education Agency (or equivalent agency in other states) may be eligible for admission to Angelo State University when they have submitted all of the following items to the Office of Admissions:

• Application for Admission.

- Scores on the ACT or the SAT (scores cannot be more than five years old).
- Current non-refundable application fee.

These applicants must meet one of the following admission requirements:

- a. Satisfy the College Readiness Benchmarks on the ACT assessment.
- b. Earn an SAT assessment score of at least a 1500 out of 2400.

5. DUAL CREDIT/CONCURRENT ENROLLMENT

High school and home school students who have completed the sophomore or junior year of high school may be eligible for enrollment in certain courses at Angelo State University under either the Springboard On-Site Dual Credit/Concurrent Enrollment Program (DC/CE) or the Off-Site Dual Credit Enrollment Program. Students approved for either DC/CE program must be enrolled concurrently in Angelo State University and high school. Enrollment may be limited to no more than two courses of prescribed work during a fall or spring semester or each summer term.

Springboard On-Site Dual Credit/Concurrent Enrollment Program

A high school student will be eligible for admission to Angelo State University under the Springboard On-Site Dual Credit/Concurrent Enrollment Program when the applicant has met all admission requirements and has on file the following items:

- Dual Credit/Concurrent Enrollment Application for Admission.
- Official transcripts of high school records.
- Official scores on the ACT or the SAT (scores no more than five years old).
- Passing scores on the Texas Success Initiative (TSI) assessment test or proof of exemption.
- Dual Credit/Concurrent Enrollment Agreement form.
- Letter of recommendation from high school counselor.
- Completed Residency Questionnaire.
- Completed Bacterial Meningitis Vaccination form.
- Completed FERPA waiver form.
- Completed Course Selection form.
- Completed the sophomore or junior year of high school.

To be eligible for admission to Angelo State University under the Springboard On-Site Dual Credit/Concurrent Enrollment Program, high school students must meet the following admission requirements:

- a. Enrolled currently in high school courses necessary to complete the curriculum requirements on a Texas Advanced or Recommended or Distinguished Achievement High School Program, or the Endorsements or Distinguished level of Achievement on the Foundation High School Program, or its equivalent.
- b. Meet the class ranked test score requirements noted below, and

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High School	Test Scores
<u>Class Rank</u>	<u>ACT</u> or <u>SAT</u>
Top 10%	No Minimum
Next 40%	17 / 820 (Math/Critical Reading
3 rd Qtr	File Review
4 th Qtr	File Review

c. Meet Texas Success Initiative (TSI) exemption requirements with a composite score of 23 or above (19 subscore in English and math) on the ACT or a combined verbal and math score of 1070 (minimum 500 verbal and 500 math subscores) or above on the SAT or provide passing scores on the TSI assessment test.

Off-Site Dual Credit Enrollment Program

To be eligible for admission to Angelo State University under the Off-Site Dual Credit Enrollment Program, high school students must meet the following admission requirements:

- a. Be a high school student who has completed the sophomore or junior year.
- b. Have a "B" (3.0 or 80) overall high school average, or be in the top half of class, or recommended by the high school principal or high school counselor.
- c. Pass the section of the TAKS or TSI assessment that corresponds to the enrolled course, unless exempt, and provide TSI Assessment scores as required by the Texas Success Initiative (TSI).
- d. Dual Credit/Concurrent Enrollment Application for Admission.
- e. Official transcripts of high school records.
- f. Completed Residency Questionnaire.

Students granted enrollment to take academic courses under either the Springboard On-Site Dual Credit/Concurrent Enrollment Program or the Off-Site Dual Credit Enrollment Program will not be considered as having officially been admitted to, nor matriculated at, Angelo State University until they graduate from high school and enroll in the university as regular students.

6. TRANSFER ADMISSIONS

Students transferring from an accredited college or university will be eligible for admission to Angelo State University when they have met all admission requirements and have on file in the Office of Admissions the following items:

- Application for Admission.
- Official transcripts of all college or university work.
- Current non-refundable application fee.
- a. Transfer students from an accredited college or university who are not on disciplinary suspension may be admitted if their cumulative grade point average on all college level work attempted meets the following criteria and the other designated requirements:

Total College Level Semester Credit <u>Hours Attempted</u> 1-17	Minimum Cumulative Grade Point Average and <u>Other Requirements</u> 2.00 and meet admission criteria for regular admission for high school graduates
18 or more	graduates 2.00

Students who are on academic suspension at any institution attended are ineligible for admission to Angelo State University until the period and terms of the suspension have been satisfied and the above criteria have been met.

- b. Graduates from an accredited two-year college with the associate degree will be admitted to Angelo State University once official transcripts demonstrating a 2.00 GPA or greater on all transferrable coursework have been received in the Office of Admissions. However, a maximum of sixty-six semester credit hours of college level academic course work may be applied toward a bachelor's degree at ASU. ASU will not accept transfer credit for developmental courses.
- c. When calculating a transfer grade point average, grades of *A*, *B*, *C*, *D*, and *F* are computed as recorded. Grades of *WF* are averaged as *F*. When a course has been repeated, the last grade stands and is used for GPA calculations. Grades in non-transferable, developmental, and some technical/vocational courses are disregarded.
- d. Students meeting all admission requirements who are currently enrolled in another college or university and are unable to provide current transcripts of all previous work may appeal their admission to the Office of Admissions. It is the responsibility of the students to provide the official transcript to the Office of Admissions or be subject to forced withdrawal.

7. ADMISSION REVIEW OF TRANSFER APPLICANTS

Transfer applicants who do not meet the admission GPA requirements but who have a minimum GPA of 2.0 on transferable coursework will have their records reviewed to evaluate other factors that could predict success at Angelo State University. A committee will review applicants holistically. Academic information such as the types of courses taken and the pattern of progress, as well as course work taken leading toward the major, the student-submitted essay explaining her/his decision to transfer to Angelo State University, reasons for past academic performance and plans to ensure future academic success, and extracurricular activities or employment information will be used to evaluate the applicant.

8. FORMER STUDENT ADMISSIONS

All former undergraduate Angelo State University students who did not attend one long semester (fall or spring) must re-apply for undergraduate admission to re-enter ASU. They must submit an application for undergraduate admission and the current non-refundable application fee.

Former ASU students who have attended another college or university after leaving ASU will be considered as transfer students and must meet the requirements listed in section 6 above. Students must submit official transcripts of all college or university course work since their

[Major revisions: approved by the Board of Regents, October 10, 2014] [Major revision: December x, 2014]

last enrollment at ASU. The cumulative grade point average of all official transcripts that were not previously received in the Office of Admissions must be a minimum 2.00.

Students who leave ASU on scholastic probation may be re-admitted on scholastic probation. If a student was suspended from ASU, he or she may return on probationary status after complying with the suspension requirements.

9. TRANSIENT ADMISSIONS

Applicants who have completed college work and are working toward a degree at another college or university are eligible to be considered for transient admission. Applicants who desire to register for any term may be considered for enrollment without regard to the provisions of (section 6) above, but must not be on academic suspension from another institution.

Transient students are required to submit an application for undergraduate admission, the current non-refundable undergraduate application fee, and proof of good standing with their current institution.

10. POST-BACCALAUREATE ADMISSIONS

Post-baccalaureate admission is granted to students who have been awarded a bachelor's degree and do not want to obtain another undergraduate degree. Post-baccalaureate students are required to submit an application for undergraduate admission, current non-refundable undergraduate application fee, and proof of baccalaureate degree.

ASU undergraduate students who are in good standing and seek post-baccalaureate admission for the term directly following their graduation need to submit a Continuing Education Verification Form for admission.

11. PROVISIONAL ADMISSION

- a. Freshman applicants not admitted through the university's standard admission and review process may be considered for admission through the provisional admission program.
- b. Students may satisfy their provisional admission requirement in one of two ways:
 - Apply and be accepted to the Angelo State Direct Path Program, a partnership with Howard College. Upon earning 18 transferable credit hours with a cumulative 2.0 or higher grade point average a student will be fully admitted to Angelo State University.
 - 2) Participate in the Summer Gateway Program by enrolling in and completing six hours of transferable coursework with a 2.0 or greater grade point average either at Angelo State University or at another college or university. Following successful completion of the requirements, a student will be admitted to Angelo State University.

12. OTHER PROVISIONS AND CONDITIONS OF ADMISSION

All other provisions and conditions of admission not covered by the above admission requirements shall be established by the president of the university.

13. ADMISSION DECISION APPEALS

The policies and procedures for considering admission decision appeals shall be established by the vice president for student affairs and enrollment management, subject to approval by the president of the university. The university's decision in all such cases shall be final.